

The NATIONAL UNDERWRITER

If Your insureds have
ANY of THESE

Individual
COMPREHENSIVE
Liability Policy

Written in most states in *Combina-
tion* with Automobile Insurance.



CENTRAL SURETY AND INSURANCE CORPORATION

R. E. McGINNIS, President

HOME OFFICE KANSAS CITY, MISSOURI

THURSDAY, OCTOBER 23, 1947



HE STANDS BETWEEN
YOU AND LOSS!

Your insurance Agent gives
you the right kind of insur-
ance before and valuable
assistance after a fire
occurs. Why not see him?

OUR "INVISIBLE ASSETS" are now *Visible* to MILLIONS



Featured in this year's National Advertising of the North
America Companies is this outline figure of the American Agent.

That Agent is *you*—the symbol of our "Invisible Assets."—
These Assets are reflected in the cooperation and support of
thousands of Agents and Brokers whose activities in behalf of
the American public and whose goodwill toward the North
America Companies we value even more than our tangible
assets.



In this 1947 advertising, our "Invisible Assets" now become
visible!



INSURANCE COMPANY OF
NORTH AMERICA
COMPANIES, *Philadelphia*

- ★ INSURANCE COMPANY OF NORTH AMERICA
- ★ INDEMNITY INSURANCE COMPANY OF NORTH AMERICA
- ★ PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY
- ★ THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

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N.A.I.A. Sticks to Its Guns on Commission Issue

Welsh and Stott at
Helm, Johnson and
Chrisman Go Up

The three additional members of the executive committee, as named by the president, vice-president and the two elected members of the committee are: Melvin J. Miller, Ft. Worth, Tex.; Walter M. Sheldon, Chicago; Robert S. Perkins, Manchester, N. H. (incumbent).

After three intense days of what was undoubtedly one of the most important conventions in its history, National Assn. of Insurance Agents adjourned its Atlantic City meeting last week with the following as its most important tangible actions:

1. It did not specifically empower the executive committee to negotiate commissions on the national level, but took a firm position that any company or group of companies—referred to in the statement as "any subdivision of the business"—would be acting unfairly and against the public interest if it attempted



J. C. Stott



N. A. Chrisman



O. Shaw Johnson

to make any commission changes until N.A.I.A. has completed its survey of agency operation costs and has the actual facts to present.

2. It took notice of the present major problem of underwriting capacity by adopting a resolution which, while recognizing that the insurance companies are facing a difficult problem, called upon them to use every means at their command to provide insurance. It buried the proposal of some southern agents that the National association back a government reinsurance project.

3. As expected, William P. Welsh, Pasadena, was elected president and John C. Stott, Norwich, N. Y., vice-president, without a flutter of opposition.

4. O. Shaw Johnson, Clarksdale, Miss., and Norman A. Chrisman, Pikeville, Ky., were elected to the national executive committee.

The only other nominee for the executive committee was Herman C. Wolff, Indianapolis.

Mr. Johnson's election was no surprise, as he had been mentioned in every speculative discussion prior to the executive session. A past president of the Mississippi association, he achieved national prominence as a re-

R. I. Mehr Named U. of Illinois Insurance Professor

R. I. Mehr, who has been for the past two years insurance professor at Butler University, Indianapolis, and who had established many cooperative relationships with the insurance industry there, has now become connected with University of Illinois in the same capacity.

For the past two years Mr. Mehr has been visiting professor of insurance at Stanford University. He is a native of Birmingham and graduated at University of Alabama. He got his Ph.D. at University of Pennsylvania as a Huebner foundation fellow and then was an instructor in the navy supply training program at University of North Carolina before going to Butler.

Mr. Mehr has conceived a five-point program for his department. First is to offer insurance education to undergraduate business students to equip them to be intelligent buyers of insurance; second to offer insurance education to undergraduates who intend to become insurance practitioners; third to offer such education at the graduate level for prospective insurance men; fourth, to bring insurance education to men in the insurance field through the extension division, short courses, etc., and to conduct such industry-sponsored courses as C. L. U., C. P. C. U., L. O. M. A. and N. A. I. A. 100-hour program. Fifth, to engage in research in current insurance problems.

Commencing Nov. 3 over a 10-week period Mr. Mehr will have an insurance man address his classes on Monday morning. The first such lecturer will be Robert B. Ayres, prominent Chicago local agent and broker, who conducted the University of Illinois insurance classes during the spring semester this year. He will speak on the insurance market.

sult of his handling of the delicate position of chairman of the future finance committee for two years and he was appointed to the executive committee following the Denver meeting last year. He will undoubtedly be a strong candidate for vice-president next year.

Mr. Chrisman's election was a surprise in that his name was not mentioned in the lobby prognostications but, after it happened, the reaction of every observer was "Why not?" Past president of the Kentucky association and a member of the national board of state directors since it was created in 1942, Mr. Chrisman has been a tower of strength on and behind the scenes at every meeting, quietly steering the board from one difficult situation after another, and is undoubtedly one of the most popular members of the board. Although it is possible that in next year's election he may insist upon deferring to the seniority of Mr. Johnson or some other member of the executive committee, it is hard to see how he can be kept out of the vice-presidency and presidency eventually, when and if he will consent to be a candidate.

Barnes in Key Spot

Harold D. Barnes, Pittsfield, Mass., replaced Mr. Chrisman as chairman of the steering committee, one of the key posts in the national board. R. M. L. Carson, Glens Falls, past president of the New York association, replaces Mr. Stott as state director for New York.

The statement of position on commissions did not take the form of a resolution, but rather as a directive of the national board to the executive committee. The final scheduled open ses-

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H. W. Miller to Be Commercial Union U. S. Manager

Gleiser and Florence
Promoted—Spencer
Replaces Bunyan on Coast

NEW YORK—Effective Jan. 1 F. W. Koeckert, general attorney of Commercial Union-Ocean Accident group and U. S. manager of the fire companies, will relinquish his title as U. S. manager of Commercial Union, Union Assurance, and British General. He will be succeeded by H. W. Miller.

Mr. Miller has spent his entire business life with Commercial Union, starting in the New York office in 1914 and advancing to special agent for central



F. W. KOECKERT

New York at Syracuse in 1919. In 1935 he returned to New York as secretary in charge of automobile production and underwriting. In 1938 he became assistant U. S. manager, supervising the eastern department.

Gleiser Deputy Manager

O. C. Gleiser becomes deputy U. S. manager of the fire companies. He joined Commercial Union in 1920 as special agent in Indiana. Six years later he became general agent at Chicago. In 1928 he came to New York to supervise the western department. He became secretary of American Central in 1931 and was transferred to St. Louis; in 1933 he returned to New York, and in 1938 he was appointed assistant U. S. manager.

D. W. Florence advances to assistant U. S. manager. He entered insurance with the Texas insurance department as an inspector in its rating division. In 1924 he became associated with Commercial Union as special agent. In 1939 he went to New York to supervise automobile business countrywide. In 1945 he was placed in charge of the entire fire business of the group in Texas.

On the Pacific Coast, J. C. Bunyan will retire as manager of the combined activities of the Commercial Union-Ocean group. He joined Ocean in 1912 with the New York metropolitan department. In 1918 he became superintendent, advancing to resident manager in 1925. In 1929 he was appointed to assistant manager of the U. S. branch, and also vice-president of Columbia Casualty. In 1934 he became acting manager of the Pacific department for Ocean, and the same year became joint manager with J. C. Griffiths, now re-

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Auto Commission Question Gets Oblique Approach

N.A.U.A. Sheds Jurisdiction
but Sets 25% Factor in
Rating Formula

National Automobile Underwriters Assn. has taken action that seems at least to tend to compel companies to reduce commissions in excepted cities below the prevailing 35% scale. N.A.U.A. is ceasing to assume jurisdiction over commissions and thus becomes strictly a rate making organization, but it announces that the commission factor that will be used in arriving at the gross rate shall not exceed 25%.

There is thus no official or recommended commission scale for the automobile physical damage coverages. However, since the commission loading is to be not more than 25%, any company paying more than that would have to be reasonably certain that it could recover the difference somewhere along the line out of the expense or loss pocket. The automobile insurance men feel that what will happen on commissions will depend very largely on the action of the most important companies in the field. They will be the ones that will be looked upon to set the pace.

20% Plan Not Followed

It is understood that there had been discussion on a proposal to reduce the recommended commission scale on automobile physical damage in ordinary territory to 20%, and to 25% in excepted cities. However, this program has given way to the plan of having N.A.U.A. wash its hands of actual commission jurisdiction. In view of the announcement that the commission factor in the rates is to be 25%, most observers believe it would be very difficult to put across commission reductions below that figure in ordinary territory. However, there is much sentiment in favor of holding non-policywriting agents to the 20% figure.

The question of contingent commissions in excepted cities is getting a lot of attention. It is being bracketed with the same situation in respect of fire insurance. One proposal is that if a company is in an agency for both fire and automobile lines, the contingent be based on the overall results rather than having each department stand on its own feet.

Arriving at Earned Premiums

In both fire and automobile there is a desire on the part of company men to get a more realistic figure in the formula for earned premiums and also to charge up an amount that is more equivalent to the actual home office expense than the 7½% factor that is now being used. It is proposed to increase the home office expense factor to at least 10% and perhaps a trifle more.

To derive the earned premiums in the present formula, there is added to written premiums, an amount equivalent to 50% of the written premiums of the previous year and there is subtracted from that sum, an amount that is equal to 50% of the premiums for the current year. This gives a truer figure for automobile earned premiums

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IMPORTANT BUYER GIVES VIEWS

Asks U.S. Market for Peak Lines; Coinsurance Relief

Frazier Wilson, insurance manager of United Airlines, in addressing the insurance membership group of Union League Club of Chicago Monday at a luncheon, gave the insurance industry two hard nuts to crack. He asked for such an expansion of the insurance and reinsurance facilities in this country as to provide U. S. insured with their peak requirements, and he also asked that some alternative to coinsurance be devised for the benefit of large assured who are hard pressed to keep track of their values so as to comply with the insurance requirements.

He also recommended that the insurers set up an appraisal service, and that the fire insurance companies conduct their inspections more frequently. He praised the thoroughness of such inspections but complained that they are too infrequent.

Mr. Wilson had been invited to make a critical talk. He is a former insurance man, having been claim manager at Chicago for London & Lancashire Indemnity, and he was also a Florida local agent. He admitted that he was giving the insurance industry some large orders, and the whole tenor of his remarks was entirely friendly. He said that his purpose was to "encourage liberal thinking" on the part of insurance leaders.

Says Objective Is Mandatory

Mr. Wilson said he is ashamed that U. S. insurers have failed to establish facilities to meet the peak requirements of large assured. He said he recognizes the legislative obstacles to create such a market as he envisions, but he said that it is mandatory for the industry to bring about this result.

He said the day may not be far distant when 100-passenger airplanes may be in the air, and insurance limits of as high as \$10 million may be wanted. This is not only the desire of the assured, but is insisted upon by the airlines' bankers.

The airlines are soon going into 67-passenger ships, he said. Mr. Wilson says he does not want to have to go abroad for the cover, and he expressed the belief that with the size of the insurance institutions in this country, adequate facilities can be arranged here by way of pooling resources, increasing capital, revising reinsurance treaties, etc.

Among other things he said that the premiums that are paid for excess insurance that go to London are not credited to the experience of the airlines. What is wanted is some single market in this country where the assured can get the entire benefits of the premiums that are paid. He said he does not want to see federal insurance or federal control of insurance, the implication being that it is up to the insurance industry to provide the market that is wanted so as to avoid such a result.

Stock Piles Mushrooming

In speaking of coinsurance and the reporting requirements of underwriters, he said that in expanding industries there is a mushrooming of stock piles. United Airlines is unable to keep current with the many shifts of values. He said, for instance, that moving two motors to one station adds \$150,000 of value there. He said United Airlines would have to employ 40 additional men to keep track of the movement of values that is required by insurance reporting. He declared that he would like to see the coinsurance clause done away with so that the assured can cut out its "guesstimates." He said he recognizes that the situation can be taken care of by floater insurance or by errors and omissions cover, but he would much

prefer to have the insurance under the regular fire form.

Accounting departments are overworked and can't keep up with the values. United Airlines, for instance, has 100 locations in the United States. He told of one hangar that was started on a cost plus basis and the estimate was about \$850,000. In short order it went up to \$1¼ million and before long to \$2 million. He said it is possible for the assured to over-insure, but that is not satisfactory and it is hard to tell just where to allow for extra margins. He told of two men that spent 10 days inventorying one building.

Commends Casualty Example

As to inspections, he commended the example of the casualty companies to the fire side of the business. He said that casualty company inspectors visit United Airlines at least once a month and casualty and workmen's compensation rates are improving. He suggested that quarterly inspections be made of big risks, and annual inspections for risks producing premiums of \$25,000 and less.

He said the buyers would greatly appreciate an insurance appraisal service. Assured can't afford to hire an appraisal from a regular appraisal company. He said that one man could appraise all of United Airlines properties in the U. S. in three weeks, traveling by air, and at the same time could make other appraisals in the vicinity.

Characteristics of Buyer

At the outset Mr. Wilson recited some of the characteristics that an insurance buyer should possess. He said he need not be an expert in all lines of insurance, but he does need to have a knowledge of exposures covered in each branch of insurance, and to know where to find the answers. He must know something of actuarial procedures and underwriting technique, and should have an exact knowledge of the insurance companies he is dealing with, insurance company overhead, the loss ratio of the industry, he should be intimately acquainted with brokers and companies that he is dealing with. He should cultivate the counsel of brokers and companies.

The buyer's integrity should be above reproach and he should not color or withhold underwriting information. The buyer, he said, should be a reflection of what he would like to find in his good brokers.

W. A. Sivy, manager of the American department of Bevington, Vaizey & Foster of London, was present as a guest of L. H. Cook, and he responded briefly to an introduction by C. M. Cartwright of THE NATIONAL UNDERWRITER, who presided at the luncheon. Mr. Sivy was asked to say something about the effect of the socialization program in England on insurance. He said that many of the answers could not be told because it was not known how far the program would go. It seems pretty definite that workmen's compensation will be lost to private insurance, but no date has as yet been proclaimed for the change to take place. The danger is that it may spread to other lines such as automobile.

Mr. Sivy, with a smile, remarking on Mr. Wilson's plea for a more adequate U. S. insurance market, said that if the program of American insurance for Americans goes far enough, he may no longer enjoy visits to this country.

Insurance Women of New Jersey will hold the annual "friendship dinner at the Waldorf-Astoria, New York, Nov. 9. At the monthly meeting at Newark Oct. 23 Charles H. Frankenbach will speak on "Legislative Influence on Insurance."

September Losses Soar 19%

September fire losses as estimated by the National Board totaled \$47,990,000 which was an increase of 19% over the record for September of 1946.

The September loss total was the smallest for any month of 1947. The total for the nine months this year is \$317,982,000 as compared with \$418,519,000 for the parallel period last year and \$333,988,000 for 1945.

The losses by months and the total for the first nine months for each of the past three years follow:

	1945	1946	1947
Jan. ...	44,865,000	49,808,000	57,180,000
Feb. ...	41,457,000	51,759,000	64,247,000
Mar. ...	40,876,000	53,252,000	72,435,000
Apr. ...	37,950,000	51,153,000	68,029,000
May ...	34,153,000	45,094,000	56,545,000
June ...	34,090,000	44,240,000	50,840,000
July ...	34,054,000	40,998,000	49,357,000
Aug. ...	34,096,000	40,019,000	51,359,000
Sept. ...	32,447,000	40,256,000	47,990,000

Total 333,988,000 418,519,000 517,982,000

S. F. O'Connor Heads C. & R. Southern Division

Stephen F. O'Connor has been elected assistant secretary of the American Equitable, Globe & Republic Merchants & Manufacturers, and New York Fire Insurance Companies, announces Corroon & Reynolds.



S. F. O'Connor

Corroon & Reynolds. He will supervise production and underwriting in the southern department.

Mr. O'Connor began his insurance career in 1920 in the U. S. head office of London Assurance and rose through the underwriting department. He served as president of Fire Insurance Examiners Assn. of New York in 1938-39.

He went to Boston as special agent of London in 1940 and became state agent for Maine, New Hampshire and eastern Massachusetts in 1942.

He was a member of the Massachusetts divisional committee of the New England Insurance Exchange.

No. America 25-Year Rallies

The Quarter Century Club of North America will hold its annual banquet at Philadelphia Dec. 9. Wallace S. Pelham, metropolitan department manager at Philadelphia, is president of the club. There are two regional clubs, one at Chicago and one at San Francisco. The Chicago club will have its annual banquet at the Blackstone hotel Dec. 11. C. G. Kueckler is chairman and Harry Thieme vice-chairman. Vice-president R. G. Osgood from the home office will represent the company at the Chicago banquet.

Buyers Hold Round Table

Roy Jacobus of Montgomery Ward & Co. and Don Powell of United States Gypsum will lead a round table discussion at the Oct. 23 meeting of the Midwest Insurance Buyers Assn. at Chicago.

Mr. Jacobs speaks on "Organization of an Insurance Department and Inter-Company Relationship," and Mr. Powell talks on evaluation of risk, selection of broker and companies, and loss adjustments and loss records. Following their talks is a round table discussion of buyers' problems.

W. H. Rogers, who has been a life agent at Newcomerstown, O., for a number of years, has purchased the Ross agency there.

MIX FUN, WORK

Give Broad Schedule for N.A.I.C. Parley

The tentative program in broad outline for the convention of National Assn. of Insurance Commissioners at Flamingo hotel, Miami Beach, Fla., Dec. 7-11:

Sunday, Dec. 7

Afternoon—Meeting of executive committee.

Evening—Get acquainted cocktail party on grounds of Flamingo; buffet supper, water show at Flamingo pool.

Monday, Dec. 8

Morning—Opening of convention and business meetings.

Noon—Lunch.

Afternoon—Committee meetings, reception and cocktail dance.

Evening—Banquet.

Tuesday, Dec. 9

Morning—Committee meetings and plenary session.

Noon—Men's luncheon at Flamingo; ladies' luncheon at LaGorce Country Club, with fashion show and vaudeville.

Afternoon—Plenary session.

Evening—Pamunkey Tribe of Real Indians ceremony (men only); entertainment to be arranged for ladies.

Wednesday, Dec. 10

Morning—Committee meetings and plenary session.

Noon—Lunch.

Afternoon—Entertainment. Guests will probably have their choice of: horse racing at Gulfstream Park; golf at Normandy Isle, Bayshore, or Municipal course; swimming at some large beach that has cabanas, such as Rowley Plaza or McFadden-Deauville; boat sightseeing trip around canals and islands; land sightseeing to all points of interest in Dade county, such as Hialeah Race Track, Seminole Indian village, etc.; deep sea fishing.

Thursday, Dec. 11

Morning—Final business session.

Attractive rates on trip by plane or boat to Havana have been made for those wishing to take this trip, beginning Friday, Dec. 2.

Dog racing will be available each night for those desiring to go to the tracks.

Swimming pool and tennis courts on grounds of Flamingo will be available for guests.

Whitford Explains U. & O. Premium Adjustment Form to Chicago Examiners

George V. Whitford, special representative of Fire Association, explained the premium adjustment endorsement to the gross earnings business interruption policy at the October meeting of the Assn. of Fire Insurance Examiners of Chicago.

Mr. Whitford illustrated his talk with case examples showing how the premium is arrived at, and the excess repaid policyholders. He explained that the endorsement takes advantage of errors made in similar forms introduced in the east and on the Pacific Coast. The midwest form should thus be a salable item.

Mr. Whitford had planned on using camera projection slides, but the size of his audience did not permit it. There were 51 on hand, one of the largest gatherings the group has yet mustered.

John J. Spitz, Fireman's Fund, was elected treasurer to succeed J. D. Kiebel, Great American, who is now in the loss department of that company.

Mr. Spitz was elected on the "blue" nominating ticket. O. E. Gray, America Fore, immediate past president, was chairman of the blue committee, while R. J. Petrick, Atlas, reported for the "red."

H. D. Hendrickson, Great American, vice-president, presided. He announced that managers night will be Nov. 20 and that Chief Frank C. McAuliffe of the Chicago Fire Insurance Patrol will speak.

Companies Refuse to Pay Architect Fee, Water Damage Losses

Hurricane Unites Stock, Mutual Against Local Gulf Coast Concepts

Loss adjustment in the wake of the hurricane in Louisiana and Mississippi has run squarely up against two local concepts, the architect's fee clause and payment for high water damages under extended cover with both stock and mutual companies standing firm in opposing these practices. Thus, the storm has brought a crystallization and the unification of company attitude on two important points that have remained undecided in the area for a number of years.

Most dramatic feature of the water damage fight in Mississippi has been the action of Harry P. Kane, Gulfport independent adjuster, who has run advertisements in newspapers and addressed mass meetings of policyholders espousing water damage payments.

Mr. Kane, who was for many years with General Adjustment, has represented the most prominent stock and mutual companies on the Mississippi coast. After his first attacks on the insurance companies were published, Mr. Kane was visited in Gulfport by Gordon Davis of the Mutual Loss Research Bureau and Donald B. Sherwood of the National Board of Fire Underwriters, adjustment heads of their respective organizations, who were in the area setting up catastrophe plans. Mr. Kane explained his views and admitted they were at total variance with company concepts, whereupon he accepted the suggestion that he no longer represent the companies in the area. Company men report that apparently Mr. Kane is not setting himself up as an adjuster for the public to pursue claims for water damage recovery as might be expected under the circumstances.

Fee Clause in Lending Contracts

Mr. Kane and his wife reportedly underwent a terrible experience in the hurricane. They have a house on the beach and watched the greater part of it swept away in the storm. They were left marooned on a tiny segment of roof and when they were rescued by the coast guard, required hospitalization. To what extent this experience has influenced Mr. Kane's belief is not known. He has always been regarded as a first rank adjuster by both the stock and mutual companies. There are reports that in 1938 Mr. Kane published a paper in which he contended that water damage was not covered by extended coverage.

Meanwhile, both the National Board and mutual bureau had served notice that they will pay no water damage losses under extended coverage.

The difficulty in the New Orleans area revolves around the architect's and building expert's clause which is contained in the lending contract between home owners and the homesteads, building and loan organizations which control a good part of the property in the New Orleans area. This clause entitles the mortgagee to a 10% architect's and expert's fee on every insurance loss paid to the mortgagor. It has apparently been the custom in the area, under the press of competition, for many companies to pay this additional fee.

One of the first problems faced by Mr. Sherwood and Mr. Davis in setting up their catastrophe offices at New

Buyers Tell Large Agencies What They Expect of Them

The sales forum for large agencies, producing over \$300,000 annual premiums, at the Atlantic City meeting of National Assn. of Insurance Agents, was devoted to the views of insurance buyers. With W. S. Attridge, Boston, in the chair, F. G. Gillingham, New York, insurance manager American Home Products Corp., and Henry Anderson, New York, insurance manager Paramount Pictures, gave prepared talks, followed by a lively discussion in which most of the group of 75 participated.

Mr. Gillingham said that every insurance buyer expects of his agent, first, complete and truly comprehensive coverage; second, a premium commensurate with the risk involved; third, complete and prompt service including assistance in losses and engineering and safety and fire prevention problems, and, fourth, agents and companies with the interest of the buyer foremost in their mind. He said that an insurance buyer soon learns that the terms "blanket" and "comprehensive" used in the insurance business are misnomers and that the buyer must depend upon the agent to get truly comprehensive protection. The buyer realizes that he must give full, complete and honest information to the agent so that the risk may be properly presented and this type of coverage obtained.

No Buyer Previews

A major criticism voiced by Mr. Gillingham was that agents and buyers never get a preview of anything new that the insurance company has to sell. While there are tailor-made contracts, the agents and buyer are usually told that a certain standard contract is the coverage and should be bought whether it suits or not. He pointed out that his own corporation spends much time and money trying out its proposed new products and getting the honest opinion of potential customers before launching a new product.

The agent can be of service, Mr. Gillingham said, in watching the loss reserves on large accounts. Insurance

companies have a habit of setting up substantial reserves on open liability claims and sometimes forget to remove them from the insured's experience after the losses have been settled.

Mr. Gillingham got a laugh in reciting the unusual problems which sometimes confront insurance buyers. He said that on less than an hour's notice he himself has had to obtain workmen's compensation insurance for a third-rate circus and \$100,000 life insurance for a civilian landing in Normandy on D-Day.

What Buyer Wants

Mr. Anderson said that the insurance buyer is held responsible by his stockholders or executive committee for any seriously underinsured loss and consequently that he expects his agent to explore with him every phase of loss possibility and the forms of insurance which are available to cover the disclosed risks—and should do so in the buyer's language, not in "practically incomprehensible insurance lingo." He said he has often been asked what he wants or needs in the way of new forms of insurance protection, but he has never been able to set down his needs in advance and does not expect ever to be able to do so. A telephone call may give him a new insurance problem which has to be solved immediately. He wants to be able to solve that particular problem with a minimum of technicality and delay.

After having determined his risks and the forms of insurance available, an insurance buyer cannot carry every obtainable form. Unfortunately, Mr. Anderson said he does not think there is or will be any formula by which these decisions can be made. The final decision must be based largely on the financial setup of the organization to be insured and upon the judgment of the insurance buyer or the directors as to what would happen to the corporation should a loss occur. He emphasized that an insurance buyer should not speculate as to whether a fire or other loss will or will not occur, but only as

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Much Turmoil in Chicago Fire Insurance Arena

North America's Rate Deviation Has Profound Effect on Business

All elements of the business are intently seeking to evaluate the situation created by the action of North America in deviating 10% on dwelling business and 15% on other preferred business in Chicago and Cook county. The atmosphere was clouded with all sorts of unfounded rumors and fantastic speculation.

Most of the agents representing North America say that they intend to maintain the same balance of business as between their various companies as in the past. Naturally the other insurers in agencies that represent North America will be watching the classification of such offices closely and the agents know that they would be jeopardizing their capacity if they should direct a disproportionate amount of preferred business to North America.

Pressure from Buyers

However, some observers believe that agents will be under increasing pressure from their assured and brokers to utilize North America. Already, it is reported, certain mortgage houses and building and loan associations have directed that their business be placed in North America.

The prevailing attitude of company executives and agents seems to be one of watch and wait. If it turns out that North America makes important inroads on the preferred business of other companies and agencies, the decision may go one way; if on the other hand there is no significant drift in that direction, the decision will probably be to sit tight.

The other companies naturally would be chagrined to take action in the way of reducing rates so soon after having put rate increases into effect and such a course, they fear, would militate against obtaining approval for rate increases in other jurisdictions.

Effect on Commissions

North America's independent action as to rates has pretty well settled the commission issue in Chicago, it is believed, and perhaps in the other excepted cities. The agents realize that under a condition of rate competition and with a situation existing in which a rate war could flare up, there will not be margins for commission scales as of yore. This does not mean that the agents are happy about the new commission setup. They are all engaged in close scrutiny of their costs and are considering what changes they must make to live under the new scales. They all say that a 10% overriding doesn't suffice and some of the agencies that have been doing a large brokerage business are giving consideration to going on a direct basis. Others are planning to cut down on personnel or are abandoning plans to strengthen their organizational setup.

Under the new recommended W.U.A. commission scale for excepted cities of 20, 30 and 35% there is a provision for paying 5% more to those agents that supervise the business of subagents and relieve the insurer of actual expense. This was intended to apply to only a very few situations, probably to less than 5% of the business in excepted cities. Company executives hope that this will not be used as a loophole, but already some agents are at least won-

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ANYTHING FOR A PICTURE



This Blue Goose, cutting its migratory flight from Canada to Florida to a matter of hours on a National Airlines DC-6, is presented to George E. Edmondson of Tampa (right), retiring most loyal grand gander of the Blue Goose, by Montreal members arriving at Miami for the grand nest convention. Merlin W. Donald (left), most loyal gander at Montreal, makes the presentation, while a firm hold on the gooseneck is retained by E. J. Beauvais, new most loyal grand gander. The goose was caught the week before at Tom Wheeler's camp at Cabbage Willows, James Bay, in Canada.

(CONTINUED ON PAGE 36)

N.A.I.A. Forum on Sales Efficiency Makes Hit

In commenting on the personal property floater at the sales efficiency conference of the National Assn. of Insurance Agents at Atlantic City, E. M. Owen, Richmond, declared that he felt it unwise to increase the rates on this policy now. It produces a tremendous volume yearly and he said that the earned loss ratio would seem to justify a change, in his opinion the paid loss ratio does not. Mr. Owen was introduced by A. C. Deisseroth, Syracuse, president of the New York association. Also on the program were Don Wafel, Syracuse, and V. E. Vining, Mansfield, O., merchandising consultant Westinghouse electric appliance division.

The insurance "Information Please" session was introduced by L. P. McCord, Jacksonville, chairman educational committee. R. E. Farrer, N.A.I.A. educational director, fired questions at: Adrian Teaf, A. H. Criddle and A. B. Best of Philadelphia, and H. E. Munz, Paterson, N. J., all C.P.C.U.'s. Dr. H. J. Loman, Philadelphia, dean American Institute for Property and Liability Underwriters, also took part.

Tips on Floater

It is good business to schedule fire arts and other risks that can be added to the personal property floater stated Mr. Owen. He advised making a complete inventory, in duplicate, of the insured property, a copy of which should be given the insured to be placed in his safety deposit box. This will facilitate determining values in adjusting any loss and show the insured how much coverage he really needs to be fully insured. This aspect with scheduled cover comes closer to providing full insurance to value, broader coverage on scheduled items and enables the company to obtain a full breakage premium when such cover is provided.

He explained that he successfully employed circular letters in soliciting new PPF clients as well as increasing existing contracts by showing how much the value of property has increased in recent years. Another point advocated by Mr. Owen in closing was that he felt the cost levels for this floater should be brought down to what the public is entitled to pay.

Comprehensive Personal Liability

Mr. Wafel described the selling advantages of the comprehensive personal liability policy advocating the popularized "by the way" approach. He was introduced as a new man to the business, having been in insurance for 22 months and had secured his knowledge by studying the National association courses.

The experts on the quiz panel tackled the question as to how the maximum underwriting capacity of a fire company is determined by agreeing it is based on the ratio of surplus to true liabilities including reference to existing reinsurance agreements. Writing cover on a comprehensive general liability policy was explained as a device by which all known and unknown hazards are included in one contract of insurance.

When questioned as to why "bodily injury" is preferred to "personal injury" the experts said the latter term includes more than just injury to the human body; such as damages for libel, slander, false arrest, etc. Dean Loman emphasized the importance of keeping up with current insurance problems and advocated constant study. He stated he was disappointed to learn that the financing of the N.A.I.A. educational program was reduced and that the American Institute relied heavily upon the educational activities of the agents' group.

Mr. McCord strongly recommended

N.A.I.A. Agency Management Forum Attracts Big Crowd

One of the best attended sessions of the National Assn. of Insurance Agents meeting at Atlantic City was the forum on agency management, for agencies from \$75,000 to \$150,000 in annual premium volume, with an overflow crowd of 350. Conducted under the leadership of Alphonso Ragland, Jr., Dallas, it featured four leading agents in this size classification discussing their agency management problems.

Charles J. Schoen, Mount Vernon, N. Y., discussed "Efficiency in Agency Management." He advocated service as the first requisite for expanding the agency. Loss service, he said, is particularly important. A working arrangement can be made with companies to get adjusters quickly in event of loss. The loss draft should not be delayed,



A. Ragland, Jr.



C. I. Fisher



David A. North

once it is received in the agency. On small losses, the agency should settle them personally and quickly. Any agent competent to write the business is also competent to handle these small losses.

Mr. Schoen also urged that each agent question every practice of the agency, to try to determine if there were unnecessary steps in office procedure. Particularly, he said, the agent should question billing practice.

In evaluating an agency for purchase, Mr. Schoen suggested a formula of 1/3 the 3-year net commissions, times a factor of 1 1/2, be used. He particularly stressed looking for the personal factors in agency evaluation—outside control of the business, ratio of commissions to net earnings, the possibility of not being able to take over the agency's companies.

North on Agency Systems

"North Systems" was the topic of David A. North of New Haven. His first discussion concerned filing of dailies. There are only two general methods of filing dailies, Mr. North said: By company, month and year, and by customer's line folder. The disadvantage of the

continued use of study groups or the correspondence course for those who could not enter a group. He announced the National association's new course on public relations prepared for organized study groups. It will include texts, instructors' manual and is broken down into six two hour class room assignments. Mr. McCord said the complete course sold for only \$6.

The process of selling is simply that of finding someone you think needs what you have, stated Mr. Vining. Tell the story simply and completely so that the listener can decide if he needs it and if he does he will buy. Use no cleverness admonished Mr. Vining.

He chided the insurance men for not making a survey of a man's personal risk, stating them clearly, and then let the client decide for himself which risks he thinks he can carry uninsured.

first system is that it is necessary to make an accurate line card for each insured, and it is hard to find all the records for one customer. Advantage of the latter system, which is used by North's insurance agency, is that it is easy to talk to customers about all their insurance, easy to change policy records for the customer who changes location, and accuracy resulting from originating every agency transaction from a daily report—not a possibly incorrect line card.

The disadvantage of the line folder system is that it takes longer to pull expiring dailies. Mr. North uses a tab signal system, with a different colored signal for each different month.

Mr. North uses a quadruplicate billing system in his agency similar to the Rough Notes system, with invoice to customers, line record and expiration record made all at one typing. Other time saving records of his agency include a telephone order form, an endorsement order form and special rubber stamps to indicate on dailies the place of delivery, date of completion and when daily is complete for filing.

He carries a valuable papers policy on his records to insure their replacement in the event of destruction by fire or extended coverage hazards.

Fisher Analyzes Agency Expense

Carlton I. Fisher, Providence, discussed "Analysis of Insurance Agency Expense," basing his discussion principally on the Rough Notes agency expense surveys of 1937-45. "I am an optimist about costs," Mr. Fisher said, "because rate increases, increases in value and other gains have more than offset the increase in operating expense of my agency." He emphasized the importance of keeping a record of the number of policies the agency handles each year, so that the average cost per policy handled might be determined. The N.A.I.A. survey, which is now being compiled, he said, will be of extreme help to the association in discussions with companies about commissions.

Last speaker on the forum was J. B. Earls, of the Earls-Blain agency, Cincinnati. He discussed "Statistical and Recording Devices." This agency draws a good proportion of its business from sub-agents and solicitors, and has recently installed a machine bookkeeping system, based on key-slot cards, to record all business received by the agency, prepare the monthly account current and analyze business according to producers.

Each policy sold is recorded on the slotted cards; on the first of each month the cards are turned over to the agency of the machine manufacturers, and the account currents to companies are automatically typed and returned to the agency in four to eight hours.

Cost of the system runs about \$125 a month for an agency of this size, which is somewhat less than the cost of the office employees eliminated through its use. One of the big advantages of this system, Mr. Earls says, is the opportunity for business analysis which this system makes possible; such as determining high loss ratio producers, types of business which require extra handling expense, and agency production by types of insurance.

This forum was one of the best attended of the entire Atlantic City meeting, with an overflow crowd of 350 in the assembly hall.

F. O. Markham in New Post

Fred O. Markham has been appointed to head the engineering department of Cole, Clark & Cunningham, Portland, Ore., brokers. He is a graduate of Oregon State College and was with Oregon Insurance Rating Bureau in the sprinklered risk department for 4 1/2 years. He was also senior Portland engineer for another brokerage firm for 16 years.

Appellate Court Hears Arguments on D. C. Rate Issue

WASHINGTON — A three-judge panel representing the U. S. court of appeals for the District of Columbia heard arguments for two hours on the appeal of the District from a decision of Judge Holtzoff several months ago which overruled an order of Superintendent Jordan for reduction of fire rates here.

The only question at issue was whether the superintendent's order and procedure satisfied the constitutional requirement of due process. The fire companies protested it did not because they were not given a hearing before the order was issued. The District contended that due process merely required a hearing at some stage of the proceedings, and that this requirement was satisfied when Mr. Jordan gave a hearing after issuing his order.

Judge Holtzoff issued an injunction against enforcement of the order, which has been under suspension continuously. The District asked the appellate court to dissolve the injunction. It may either do so, thus allowing the order to become effective, or make it permanent and thus require the rate reduction proceeding to be begun all over again, if the superintendent is still of the same mind.

Abraham Kaplan, New York, made argument for the companies and Assistant Corporation Counsel Lloyd Harrison for the District. Superintendent Jordan and a number of insurance representatives attended the hearing.

Ordinarily the appellate court allots half an hour for argument on each side of a case, but owing to the importance of the issue in this case, the time was doubled. Members of the court made a number of remarks during the hearing which were construed as favorably significant by D. C. representatives.

The court was made up of Justices Edgerton and Prettyman of the D. C. bench and Justice Maris of the third circuit court.

Best Premium Year in History to Mark Western Hail Assn. Meeting

Western Hail & Adjustment Assn. will hold its annual meeting at Chicago Dec. 1. The meeting this year will be memorable in that all indications point to the largest premium volume in history, and the largest dollar or proportionate increase yet achieved.

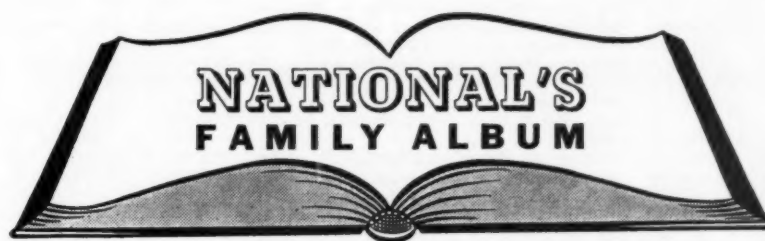
Preliminary figures in a few states show increases ranging from 75 to 250%. Companies were literally saturated with applications and had no trouble in reaching their county and state liability limits.

Losses are up somewhat from a year ago, the best profit year in history, and the ratio is expected to be higher in 1947. Kansas especially was unfavorable, and many companies lost money in that state. However, the overall results, it is anticipated will reveal a fair profit.

The advisory committee of the association will meet Nov. 12. Chairmen of state hail committees have already met or will meet in a short time.

Wage Increases 45%

WASHINGTON — A survey of annual average wages compiled by the Department of Commerce for 1946 shows that employees in the insurance industry, finance and real estate businesses received wage or salary increases aggregating 45% between 1939 and 1946. The department figures do not go beyond last year.



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MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

Buckeye Union Executives Give Agents Insight into Company Workings

CINCINNATI—Frankness in discussing present day problems of the business as they affect the agent, the company and the public, characterized talks of home office officials of Buckeye Union Casualty and Buckeye Union Fire when the executives met with their agents from Hamilton county and northern Kentucky.

"The Buckeye companies are among the most over-reserved companies in business today and the officers intend to keep them that way," President F. E. Jones stated. He said the 26,000 claims settled in the first seven months of this year were liquidated for an amount that was 25% less than the reserves which had been set up for them.

R. E. Jones, vice-president in charge of the claim department, reported the two companies have paid over \$20 million in claims.

The problems of any part of the business are problems of the entire business, not just company or agency problems, he said. The real function of the business is to safeguard the public; it is custodians of public funds. Every phase of

the business is operating under searching scrutiny. In the claim department the service must be efficient, economical and effective.

An agent who cooperates with his company claim man has an additional employee on his payroll at no additional cost. Claim men take pride in their work and in their help to agents, he emphasized.

President Jones introduced I. L. Morris, secretary, as the man who started Buckeye Casualty. Mr. Morris discussed conditions in automobile underwriting and explained the reason for more stringent underwriting rules and increased rates adopted last year. Conditions are vastly different now than they were in 1942, he said. Then people could not drive far, nor could they drive fast. It was easy to accept automobile risks under those conditions. The changes occurring in 1945-1946 forced a right about face in automobile underwriting. The companies had to meet changed conditions. The days of writing automobile lines over the counter wholesale without learning too much about the risk, are

gone forever, he emphasized. "If it is not possible to work a system of selective writing of the automobile business between the agent and companies, you will see state or federal funds set up to do it," Mr. Morris commented. He explained Buckeye has solved the problem of satisfactorily writing automobile for this year. Mr. Morris then urged the agents to write more diversified lines.

Introduced as a man who can state figures in an interesting and understandable way, E. J. Mertz, comptroller, measured up to the introduction. He explained the effects increased volumes of business have upon financial statements. He showed how an increase of \$500,000 in premium volume results in charges against surplus of \$200,000 the first year. Maintaining adequate reserves is fundamental for maintaining a well-managed company and no company is stronger than its reserve policy, Mr. Mertz said. The major problem now facing agents, according to Mr. Mertz, is the collection of accounts. Neither increased income nor increased employment is in sight. "Collect your premiums within 30 days," he advised the agents.

G. B. Wilson, president Leiding agency, received a certificate for representing Buckeye Casualty 20 years. He started writing business for the casualty company in the first year of its operation. Mr. Wilson called attention to the year by year increase in surplus of the casualty company which advanced from \$322,166 in 1927 to \$7,615,260 this year.

Certificates were also awarded to George R. Hammerlein agency for writing the largest amount of premiums and Thomas McEvilly Associates as the agency having the lowest loss ratio.

Production Panel

A two hour production panel discussion was conducted with "Building a More Profitable Agency" as the theme. F. S. Schellenger, superintendent of agents, conducted the meeting, introducing J. A. Dodd, assistant secretary of Buckeye Union Fire, H. L. Andrews and D. R. Haverick. The agencies which have survived the many changes occurring in the last 25 years are the ones which had a good fire and allied lines business, Mr. Dodd stated. Fire, though the bread and butter line, can also be the base of diversification. The personal property policy he suggested as one line to use for diversifying. The new comprehensive farm liability policy was introduced as a contract which agents helped to draft. Four agents who know the needs of farmers were called to the home office to suggest coverages to be included in the policy. Their suggestions were so numerous it looked as if it would be impossible to meet them. But a policy was drafted which included practically all the suggestions. This is the new comprehensive farm liability policy.

The general liability, burglary and robbery lines have the lowest mortality ratio of any policy in an agency, Mr. Haverick pointed out. Fewer of these contracts are lost than any other type of contracts by agencies writing these lines in good volume. Emphasizing the value of diversified business to an agency, Mr. Schellenger cited these figures from one agency as example of a good spread. The agency had 38.2% of the gross volume in fire coverage and for inland marine coverages 5.3%. Automobile B.I. and P. D. accounted for 20.4%, while auto comprehensive and collision was 18.6%. Glass coverage accounted for .3%, while boiler and aircraft amounted to 2.3%; burglary was 4.2%, general liability 5.9% and bonds 4.8. The agent who submitted the figures stated that he considered this diversification satisfactory except that where the total of business in glass, boiler, aircraft, burglary, general liability and bonds was 17.5% it ought to be 25%. Handling the work in the office is almost as important as selling, Mr. Schellenger commented. He recommended that agents set up a chart showing how policies are handled in their offices. Mr. Dodd cited instances of small fire companies being asked to participate in lines with some of the big-

A.M.A. DATES NOV. 17-18

Buyers to Weigh Capacity Question at Chicago Meet

In view of the complaint of many industrial firms that they are unable to buy sufficient insurance to keep pace with rising valuations, the insurance conference of American Management Assn. at the Drake hotel, Chicago, Nov. 18-19, will stress discussion of insurance coverage adequate to the requirements of business.

The conference will discuss whether insurance companies should increase their working capital, whether there is need for additional insurance companies, whether legal requirements for reserve should be reduced, or whether other means for underwriting risks can be found.

Approximately 700 will participate in the discussions under the leadership of R. S. Bass, treasurer A. E. Staley Manufacturing Co., Decatur, Ill., and vice-president in charge of A.M.A.'s insurance division; Frank B. Flahive, vice-president Columbia Engineering Corp., New York; Frank A. Christensen, president America Fore; Ivan L. Willis, vice-president International Harvester Co., Chicago; Esmond D. Gardner, vice-president Chase National Bank, and others.

Other subjects to be discussed include buyer relations with brokers, effects of accident prevention on insurance costs, possibilities of self-insurance and employee group benefit plans.

Lumbermen's Mutual Casualty is giving a breakfast Nov. 19 for friends attending the American Management Assn. meeting. The arrangements are in charge of Vice-president N. C. Flanagan.

Cleveland Board Honors Curtis' 50th Insurance Year

A resolution commending Charles E. Curtis, Cleveland independent adjuster, has been adopted by the Cleveland Board. The resolution states that Mr. Curtis in his 50 years in the business has established an enviable record which may be pointed to for others to emulate. Mr. Curtis entered the business in 1892 with Palatine at Chicago, in 1900 joining Insurance Co. of Tennessee as secretary. He became an independent adjuster at Nashville in 1903 and two years later joined Calumet, becoming assistant secretary. In 1911 he opened an office as independent adjuster at Toledo and in 1917 went to Cleveland.

gest companies now, a condition unheard of a few years ago and a situation which insurance men never expected to see.

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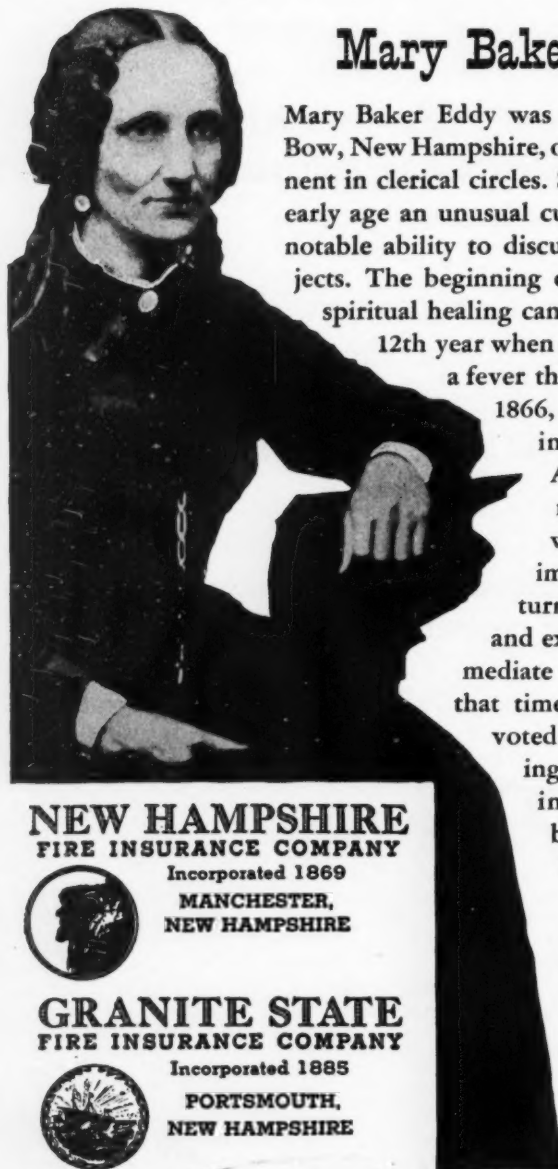
Mary Baker Eddy

Mary Baker Eddy was born in 1821 at Bow, New Hampshire, of a family prominent in clerical circles. She showed at an early age an unusual curiosity for and a notable ability to discuss religious subjects. The beginning of her interest in spiritual healing can be traced to her 12th year when she was cured of a fever through prayer. In

1866, she fell and was injured severely.

After a few days of medical treatment without showing improvement, she turned to her Bible and experienced an immediate recovery. From that time, Mrs. Eddy devoted her life to teaching and demonstrat-

ing her religion by healings. In 1876, she and a few followers founded the Christian Science Association and 3 years later organized the Church of Christ, Scientist.



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The Girard Fire & Marine Insurance Company
Organized 1853

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Milwaukee Mechanics' Insurance Company
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The Metropolitan Casualty Insurance Co. of N.Y.
Organized 1874

Commercial Casualty Insurance Company
Organized 1909

Pittsburgh Underwriters - Keystone Underwriters

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Conn. Meeting to Cover 2-Day Span

The annual meeting of Connecticut Assn. of Insurance Agents for the first time in history will be a two-day affair—Nov. 17-18. It will be held at the Hotel Bond, Hartford.

The morning of Nov. 17 there will be a meeting of the executive committee, followed by a lunch for local board officers and executive committee.

That afternoon there will be a busi-

ness meeting with reports, and action will be taken on proposed by-law changes. The automobile assigned risk plan will be discussed and G. J. Schepens, manager of the plan with headquarters at New York, will be present to answer questions. There will be an agency management clinic conducted by L. J. Ackerman, dean of school of business administration of University of Connecticut. Members of the clinic will be selected from those agents who attended the agency management school last August at University of Connecticut.

At the banquet that evening, speakers will include Congressman Ellsworth Foote of North Branford, Commissioner Allyn and probably Congressman William J. Miller of Hartford, who is a local agent and member of the association.

The next morning will be shown the movie "Catastrophe Unlimited" of General Adjustment Bureau, and there will be two speakers whose names will be announced later. During the noon period there will be an inspection tour of the new F.I.A. fire prevention laboratories.

In the afternoon Prof. M. D. Cramer of New York University will give an illustrated talk on accident prevention, and John C. Stott of Norwich, N. Y., new vice-president of N.A.I.A., will give an address.

Agricultural Committee of Fire Waste Council to Meet Nov. 5 at Chicago

The annual meeting of the agricultural committee of National Fire Waste Council will be Nov. 5 in the Palmer House, Chicago. Joseph E. Cryan, assistant secretary in the farm department of America Fore, who has been chairman for three years, has resigned because of press of business, and Dennis C. Smith, assistant manager farm department of Home, will be in charge as temporary chairman. Mr. Smith served as chairman 1935-1938 and was previously vice-chairman.

In addition to committee reports, the program will include introduction of a new manual, "Rural Fire Prevention and Protection Through Chambers of Commerce," which will be distributed to all local chambers. There will also be a film, "Miracle in Paradise Valley," which shows economic loss from farm fires. It is produced by Sinclair Refining Co.

Sues Lloyds for Million

PORTLAND, ORE.—Damages for \$1,006,700 has been filed in circuit court by Claude Kelso, Gresham, Ore., a truck operator, against London Lloyds and the Portland agency of Banbury & Curtis. He says he insured a truck and trailer with Banbury & Curtis, who in turn placed the coverage through D. K. MacDonald & Co., Lloyds correspondents. The trailer was demolished in an accident but insurance payment was refused on the ground that no policy had been issued, according to the complaint, which placed the value of the trailer at \$2,700. It is stated that settlement of \$1,000 was reached on the claim, then two weeks ago a policy was received showing insurance to have been in effect at the time of the accident. The complainant asks \$1,700 general damages, the difference between value of the trailer and the amount of settlement made, plus \$1 million punitive damages and \$5,000 attorney's fees.

Fla. Agents Group Plan

Florida Assn. of Insurance Agents is sounding the sentiment of its members on a tentative proposal from Protective Life of Birmingham to provide group life and hospital-medical-surgical cover for the members and their employees. Individual policies would be issued and the policyholder would be billed directly by Protective.

The minimum life insurance (without physical examination to age 65) is \$2,500. The daily hospital benefit is \$5 plus hospital charges up to \$35; surgical fees, according to schedule, maximum \$150; up to 31 visits by doctor at hospital at \$2.50 per visit.

P. P. F. Floaters Increased

St. Paul F. & M. reports that more than 50% of the personal property floaters that have been renewed in the past 10 months have been for increased amounts of insurance.

Northeastern to Reduce Capital

HARTFORD — Stockholders of Northeastern will meet Nov. 14 to act on a recommendation of directors that capital be reduced from \$1½ million to \$1 million. This will be accomplished by reducing par from \$5 to \$3.33⅓ a share. The \$500,000 will be transferred to surplus. Additional reserves are needed because of the sharp increase in premium volume.

Fire premiums written in the first seven months of 1947 came to \$1,917,101 against \$1,585,205 last year. Marine premiums were \$629,602 against \$425,983.

Assets have increased \$265,800 to \$8,192,802 since Jan. 1, while surplus is off \$193,856 to \$991,531.

Northeastern has shared in the Texas City and Los Angeles losses, and several others. The proposed change in par will not affect the stock's liquidating value. The company intends to maintain dividend payments at the rate of the past two years.

Take Commission Issue to the Supreme Court

WASHINGTON — Opposing petition of Oscar Pofe, Chicago, for writ of certiorari to the seventh circuit court, Continental objects to the Supreme Court's jurisdiction on the ground that Mr. Pofe died the day before the petition was filed and no such action may be begun in the name of a deceased person.

The petition filed in Pofe's name said he, a Chicago class 1 agent, sued for \$12,365 claimed due under agreement whereby the company was to pay him the same rate as its other general agents. He received \$40,124 commissions during the five years ending Sept. 1, 1940, which representation that it was the same rate as other general agents the petition declared false and fraudulent, as the company paid 10% more to other general agents. At that rate it was claimed Pofe was entitled to \$52,489 and therefore the difference was sued for.

The trial court dismissed the suit and entered judgment on the company's counterclaim for \$2,400 against Pofe, which the circuit court affirmed.

Pofe's petition was supported by argument that when a suit exceeds the amount of a counterclaim the court is without power to dismiss the suit and enter judgment on the counterclaim, but should permit trial on the merits and deduct the amount due on counterclaim from the amount due plaintiff.

Denies Written Contract

The company denied existence of a written contract of 1927 upon which Pofe based his claim and denied a contract to pay him at the same rate as other agents. The company admitted an agreement of 1937 under which Pofe acted as agent until 1940, but not "general agent"; also as automobile and inland marine agent after 1940. Misrepresentation and fraud are denied.

The company charged a shortage of \$2,634 in the Pofe account, which the Pofe petition claims was reduced to \$2,400. The company says the time limit has passed within which an administrator of Pofe's estate could petition for certiorari. It submits argument against the court's jurisdiction and opposing the proposed writ, based on a dozen points.

Attorney for Continental in this case is C. Oscar Carlson of the Chicago law firm of McKinney, Folonise & Carlson. The Pofe attorney is Meyer Abrams of Shulman, Shulman & Abrams, Chicago.

The Insurance Women of Birmingham had as speaker for the October meeting George W. Yancey, prominent local attorney, who explained in detail Alabama's recently enacted financial responsibility law. Plans have been announced for the club's annual "Bosses' Night" for Oct. 31 at Hotel Tutwiler.

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NO WOODWORTH AWARD

South Carolina Association Wins N.A.I.A. Achievement Cup

The National Assn. of Insurance Agents did not award the Woodworth memorial this year. This goes to the member of N.A.I.A. who has performed the most outstanding work for insurance during the year, and is occasionally omitted. Instead, eight members received presidential citations for achievement, an award given for the first time this year.



J. T. Hudson

The South Carolina association received the Sparlin cup, as the state association which has rendered the most signal service to the American agency system during the year. It was accepted by J. T. Hudson, Spartanburg, state national director, who paid a high tribute to H. P. North, Columbia, manager of the association, and said the achievements were due almost entirely to Mr. North's efforts. Three past presidents, W. H. Menn, Los Angeles, W. B. Calhoun, Milwaukee, and S. O. Smith, Gainesville, Ga., were judges.

Pennsylvania Double Winner

The Pennsylvania association received two cups, the Connecticut association trophy for the best showing in percentage membership increase, local board strength, low turnover and general membership local board development. Stanley Cowman, Philadelphia, president; F. D. Moses, Harrisburg, secretary, and H. D. Wolff, Easton, state national director, accepted the trophies. The New Jersey association was second and the Nevada association third in the competition for this cup. Pennsylvania, with 79 members registered, also received the Des Moines attendance cup, which goes to the state association, other than the home state, having the largest number of members registered at the convention.

The Texas association won the California association mileage cup, awarded to the state body, excluding California, which has the greatest combined mileage of members attending the convention. In the absence of President M. J. Miller, Ft. Worth, who had to leave early, T. C. Fitzhugh, Waco, accepted the award.

Presidential Citations

The presidential citations, awarded by President Guy T. Warfield, Jr., Baltimore, recognized members who had brought prestige and credit to the American agency system during the past

Mass. Prevention Plans

Preceding the Massachusetts governor's fire prevention conference by a day, the agricultural section of the conference meets Oct. 27 at State House, Boston. Commissioner of Agriculture Cole will preside. State Fire Marshal Whittemore is in charge of the general conference program.

Insurance speakers include Courtenay P. Worthington, Mutual Farm Underwriters of Mass., and Percy C. Charnock, manager New England Fire Insurance Rating Assn.

The annual meeting of Automobile Protective & Information Bureau will be held Oct. 31 in the Chicago Board auditorium, Insurance Exchange building, Chicago.

T. G. Dahl, manager of the farm and hail department of Great American at Chicago, is vacationing on his farm near Kennedy, Minn.

year through accomplishments in their business, civic or personal life. The rules adopted by the executive committee permit as many as ten to be awarded in one year, and eight men received this new

honor.

Recipients were past President Hunter Brown, Pensacola, for his work in Washington in the navy ships service stores insurance program and his efforts on the future finance committee; N. A. Chrisman, Pikeville, Ky., newly elected member of the executive committee, for his work in safe driver education and on the steering committee of the national board of state directors; A. C. Deisseroth, Syracuse, New York association president, for his work in organizing the Syracuse University course for war veterans; Julius Levi, Houston,

for his fire prevention work; West Shell, Cincinnati, for fire prevention and safe driver education work; Wade Fetzner, Jr., Chicago, for his work in analyzing agency operations and his achievement as chairman of his local Red Cross drive, and Roy A. Duffus, Rochester, for his local safety work, consumer education in insurance in the Rochester schools and his efforts as head of the casualty committee of N.A.I.A. C. I. Fisher, Providence, who was unable to be present at the final session, was awarded a citation in absence for his work on the all-industry rating bill.



INSURANCE WHEELS GO ROUND AND ROUND

The more things people know about a well-run business the better they like it. Any business that's a mystery to its customers is on dangerous ground.

In the main, people are suspicious of the abstract and accept the concrete without question. Insurance is in the difficult position of being composed of and actually run by such a vast number of small concrete facts that taken together they seem pure theory—like higher mathematics. If our business is to be liked by more people certainly all of us in insurance must clarify those facts. Few things are more important in insurance public relations than to reduce our business to the simple ideas and the words of one syllable of which it actually is made up.

This is what the Security Insurance Companies are doing in their advertising in *Time* and *Newsweek*. As a result of this advertisement, in *Time* for October 20, thousands more people will understand something of what you mean when you say "underwriting".

Other thousands of clients of agents of the Security companies will also have a better understanding of this word. For they will receive this column in folder form by mail from our agents.

The result is that these insureds—all clients of agents representing one of the Security companies—understand insurance better than they used to. Hence they are more likely to accept their agent's advice. You should be among these agents who have and use a valuable tool to promote public appreciation of insurance.

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PROPERTY INSURANCE

What's "underwriting"?

The term came, like many in insurance, from Lloyd's of London. Lloyd's was just a group of businessmen who joined together and made agreements to reimburse property owners if unexpected losses occurred. When one of these men at Lloyd's was willing to assume all or a portion of a particular risk he wrote his name below the contract or agreement with the property owner. He "underwrote" the risk and was, therefore, an "underwriter".

Today the word has a somewhat different meaning, though the "underwriter"—now usually a corporation—still writes its name at the bottom of the insurance policy. Today "underwriting" means the process of selecting good risks, risks on which the hazard of loss is average or better than average. Underwriters often advise improvements which will reduce the likelihood of fires or accidents.

"Underwriting" involves judging many factors other than the character of the man and the condition of the property. Insurance companies dislike concentration of risk. Fire insurance companies have great books of street maps on which they note the risks they have insured. They do this to avoid having too much money at risk—or insurance in force—subject to one fire. Actually a company may accept many risks in one neighborhood. But it "re-insures" some or parts of them with other insurance companies, thus avoiding such concentration.



The purpose of good "underwriting" is to produce fewer and lower losses and hence lower insurance rates and costs. The acceptance of questionable risks at standard rates has proved fatal to more than one insurance company. Similarly, the acceptance of average risks at rates or premiums less than needed to pay losses plus the expenses of doing business has resulted in the failure of insurance companies.

All good insurance companies carefully "underwrite" the business they accept. To be sure that your insurance is in a good and careful company, get it from an agent of one of these: the Security Insurance Company of New Haven, The East & West Insurance Company of New Haven, the New Haven Underwriters, The Connecticut Indemnity Company.



SECURITY

Insurance Companies

Home Office: New Haven, Connecticut

North America Leaves Oil Pool and Farm Group

North America has resigned from Oil Insurance Assn. and Farm Underwriters Assn. This company did not have a representative at the special meeting of the Oil Association at the time of the recent W.U.A. mid-year meeting at Manchester, Vt.

The resignation of North America from Oil Association was read at a meeting of that organization that was held at New York last week on the call of its president, H. A. Clark, vice-president and western manager of Firemen's. All of the chief executives of member companies were present. Including the North America's shares there were 50

shares to be subscribed for, the others having become available because of the reduction of participation on the part of some members. The entire 50 shares were taken up.

Austin Bryan of Houston, who is representing the companies in connection with claims arising out of the Texas City disaster, especially as to subrogation, was present and gave a report.

Successful Prevention Week

Many favorable comments are being made on the fire prevention week activities at York, Neb. The local chamber of commerce promoted several articles in the newspapers and posters were prominently displayed throughout the town. National Board materials were freely used and special attention was given to schools. C. D. Hohaus, state agent St. Paul F. & M., spoke to the school children.

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Smaller Agencies Discuss Rural, One Man Agent Problems

The new era in agriculture needs insurance, declared J. C. Hearn, Roanoke, Ala., moderator at the National Assn. of Insurance Agents production forum at Atlantic City for agencies having up to \$75,000 annual premium income. He explained that young men are now talking in terms strange to the older farmer and insurance man — soil analysis tests, mechanized equipment and new cultivation techniques.



J. C. Hearn

He advised the agent to keep up with the times and fit insurance needs to the modern farm. Mr. Hearn also urged the sale of livestock mortality and hail on growing crop insurance. The important thing, emphasized Mr. Hearn is to keep in personal contact with clients in small towns and on the farms. These people like the personal touch and resent the mailing of a form or policy when the agent could and should make a personal call.

Low-Pressure Selling

Mr. Hearn substantiated this with a personal experience. He said that there was a millionaire banker and farmer in his town who disliked salesmen who constantly strove to sell things. Mr. Hearn never tried to sell; instead, every time he passed by the man's home he would stop by and ask if he could do a favor and explained he was going up into town.

Gradually he did more and more things until one day the banker handed Hearn a \$10,000 cotton policy and told him he could write it because the agent having the line was situated across the street and always mailed the policy and statements, never bothering to call in person.

As a consequence of this personal touch, Mr. Hearn declared he later obtained the bankers blanket bond and other bonds plus many casualty lines which make it a very profitable account.

One-Man Agencies

Weldon Oxley, Redding, Cal. contributed his half of the forum by discussing means of perpetuating one-man agencies. Speaking from observation as well as personal experience, Mr. Oxley advised getting new young men and giving them a chance to become partners. Be sure, he said, that a new man receives insurance education to be of real service to the agency and its clients. He suggested arrangements appropriate for the needs of the agency and in line with state laws to set up either corporations or a partnerships.

Life insurance upon the corporate officers or partners is the next logical step, explained Mr. Oxley. He added it was wise to do it now before death, illness, or some unforeseen disaster should wipe out the agency.

Rural Problems

A general discussion of agency problems followed which disclosed that no two rural underwriting or rating problems were similar in rural and small town areas. Some criticism was directed at what appeared to be contradictory rate situations, to which W. W. Sampson, Atlanta, manager Southeastern Underwriters Assn., tactfully explained that farms are in a large classification into which certain unprotected risks are thrown and since the rates developed in each territory depend entirely upon the risk location plus the added factor of the relation of the premiums produced in that vicinity to the total premium developed on the classification, the rate

structure for each individual case may not be compatible to what the agent thinks should be charged. Mr. Sampson added that this is no time to monkey with rates because if government subsidies to the farmers should stop the farmers may stop the investment in maintenance and experience on farms would "turn sour".

Menasha Rabinowitz, Lakewood, N. J., inquired if any agent had ever written business interruption insurance on a farm. He explained that he had done so on a poultry farm where the buildings were of metal with rock wool insulation and having floors of concrete. He stated that he used the standard mercantile business interruption form at 75% of the outbuilding rate and was not criticized by the actuarial department for this procedure.

Attendance numbered 150 and, because of the interest shown at the session, a motion by Mr. Oxley to request the national association to conduct a farm forum was carried.

Treat Insurance Features in "Export-Import Banking"

A succinct and informative chapter on marine insurance on cargo and another chapter on coinsurance are contained in the 398 page volume "Export-Import Banking," by William S. Chaterian, which has just been published by the Ronald Press Co., 15 East 26th street, New York, and which sells for \$5. The author is a member of the New York bar and was formerly of the overseas division of National City Bank of New York.

The insurance chapters are well put together, and give the reader a thumbnail sketch of the development of marine insurance, its necessity, the marine policy, risks not covered, general average, particular average, the York-Antwerp rules and the various commonly used clauses, along with a statement about the insurance broker, the brokers' cover note and the bank's interest in insurance. A Lloyds policy and a U. S. policy are reproduced, as well as a cover note.

Name Joint Canadian Mgr.

National Union and Hanover Fire have jointly appointed W. Boaden Burns chief agent and manager in Canada. He also has been named chief agent in Ontario for Automobile.

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Ambitious young man with fire background. Casualty experience would be helpful but not essential. For Lloyd's department. Duties will not be restricted to fire insurance. State age, experience, and education. Replies held in confidence. Address N-53, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Executive with 17 years in insurance; college graduate; experience covers underwriting, sales, inspections, surveys; non-stock and stock fire companies; large and small agencies; state agent; insurance counseling; unusual knowledge all lines; wants connection with responsibility and future with agency or company in Southern California. Best references. Address N-57, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Experienced Adjuster, under 40 years of age, who has had at least 5 years experience and not addicted to liquor, for Rocky Mountain States. Please furnish references with application. This is Branch Office position. Address N-59, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Hurricanes Shadow but Don't Dampen Mutual Loss Managers' Conference

It wasn't on the original agenda, but the recent hurricanes were a good part of the concern of the more than 100 at the meeting of Mutual Loss Research Bureau at Chicago. Paradoxically, this year's meeting had been purposely set in the fall rather than the spring, because work on storm losses in the spring had materially cut down attendance in past years. Despite storm troubles, the tenor of the meeting was not pessimistic, because many of the loss managers present apparently experienced some easing of their work in the past three months in all lines.

The meeting is always helpful in that it is one of the few occasions at which independent adjusters and the loss men of the companies they service are able to get together. About 35% of those present seemed to be independent adjusters and both they and the mutual company men hailed from all sections of the country. Credit for the success of the smooth-running meeting was due to H. D. Heath, Northwestern Mutual Fire Assn., who is chairman of the conference committee, and Gordon Davis, secretary-manager of the Mutual Loss Research Bureau, who did the brunt of the work behind the scenes.

Much of the program was carried out in panel style, but among the formal speeches receiving the most attention was that by Herbert L. Bloom, vice-president and loss manager of Lumbermen's Mutual Casualty, who explained that though he is a casualty man and the meeting was primarily for fire and inland marine loss managers, the signed statement in litigation is as important to fire as to casualty companies. He pointed out that the signed statement is not evidence in itself. It may only be introduced in court after a witness has made the statement which is contrary to the information contained in the signed statement.

Mr. Bloom said that in all large fire and casualty cases the companies should insist on signed statements. They preserve evidence as well as being handy in court. They record the time of loss, the cover effective, determine knowledge of defects on the part of insured, whether or not watchmen were on duty, what other liability might open possibility of subrogation, and what contract conditions were violated at the time of loss.

Statement Top Factor

Mr. Bloom said there is nothing that so aids in the settlement of losses as a good signed statement. It has the value of impeaching the testimony of witnesses and thus "keeps witnesses on the ball."

The signed statement should be taken by the claim men at the time of the first call. If too much time elapses, the loss becomes an old matter to the witness and he loses the desire to talk about the disaster.

The value of the signed statement depends upon the claim man, Mr. Bloom declared. Signed statements are a real test of the investigator and are much better than a mere summary by the investigator without a signature. Getting one of the statements is a delicate problem and a good claim man learns to speak not too much, but with authority when he does, gradually and calmly developing the background of his interview. He must understand psychology and open his conversations with witnesses on a pleasant and common plane. The investigator should draw up his statement casually and then, as if it is the most natural thing in the world, hand it to the witness and ask for a signature.

If the witness becomes restless while

he is being questioned, he should be given each page of the statement as the

investigator completes it. This will keep the witness occupied. Mr. Bloom said it is far better to beard the witness at his home than to try and question him in the press of his daily business.

It is important that the investigator not fabricate testimony and not include

any statements which the witness might not support in court.

There is a special art in letting the witness tell his story in his own way in his own words, Mr. Bloom said. Cases where the investigator does not preserve the natural terminology of the witness



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are always suspected by juries.

The investigator should be careful not to make a definite conclusion of his own at the close of a signed statement, but should content himself with merely presenting the leading facts so that the conclusion is obvious.

INSURABLE INTEREST

Paul Heineke, Chicago attorney, delivered the paper which he had presented at the American Mutual Alliance meeting last May on the problems arising under the New York standard fire insurance policy from the necessity to evaluate the interest of the insured upon the happening of a loss. This concerned the concept embodied in the policy that ownership of property is no longer the concern in the contract of indemnity. The only thing that will eventually be asked, Mr. Heineke said, is whether the insured had an insurable interest in the property when he took out the policy, when it was destroyed, and what the interest is and what amount of money will indemnify the assured because of loss or damage to that interest.

The states which have codified their laws have defined an insurable interest as "every interest in property or any relation thereto, or liability in respect thereof, of such a nature that a contemplated peril might directly damnify the insured," Mr. Heineke said. Through case law it has been determined that any person has this interest in property who derives a pecuniary benefit from its existence, or who would suffer a loss from its destruction. This whether he has or has not any title in or lien upon, or possession of the property itself.

Everywhere there will be a tendency to broaden the definition of insurable interest, the attorney declared. Neither legal nor equitable title is now necessary, and the tenuous interest which will be found sufficient to constitute insurable interest will startle and mystify insurance people. In his opinion all that will be necessary will be exposure to financial loss by reason of the destruction of property, and only a reasonable expectation of benefits from such preservation will be required.

Peck, Persson Skit Stars

Participants in a U. & O. adjustment skit were Charles Peck and A. T. Persson, Wagner & Glidden, Maurice Stans, Alexander Grant & Co., who had been scheduled to participate, was taken ill and unable to attend.

Their subject was a manufacturing plant where the "shop" was burned out, but the office, warehouse, assembly and shipping facilities were intact. There was a theoretical \$100,000 of business interruption coverage on the enterprise. Playing the part of the adjuster, Mr. Persson showed the tact and reasoning necessary over the months to keep down the demands of the business owner, played by Mr. Peck, for coverage of anything and everything under U. & O. They had prepared and passed out operating statements for the business at various stages of the business interruption adjustment, and demonstrated which items on this operating statement were not eligible to coverage under use and occupancy. The gist was that U. & O. pays no expenses that the manufacturer would have incurred in the usual conduct of his business and the assured is asked to take the same economic chances during the indemnification period as he would in normal times.

Another well received panel was that on inland marine, starring F. D. Hawkins of United Mutual as moderator, with panel members William H. Rodda, secretary of Transportation Rating Bureau; Clarence R. Conklin, Chicago attorney, and T. L. Osborn, Jr., inland marine manager for National Retailers Mutual.

Through questions sent in advance by conference members, Mr. Rodda was given an opportunity to explain that under the motor truck cargo policy, any additional charges incurred in transferring cargo to save it from further loss is borne by the insurance company under the "sue and labor clause."

Paul Britton Goes into Agency Field at Kansas City

Paul M. Britton, an assistant manager in the western department of Fireman's Fund at Chicago, has resigned effective Nov. 1, to join Altman - Singleton agency, which has represented Fireman's Fund for the past 27 years at Kansas City.



Paul M. Britton

Mr. Britton is a native of Topeka and attended Washburn College there. He began his insurance field work in 1926 in Minnesota and in 1930 was transferred to Detroit. He joined Fireman's Fund in 1935 as Wayne County manager at Detroit. He assumed executive duties in the western department office in 1940, and has progressively held the position of general agent and assistant manager.

Mr. Britton has recently served as vice chairman of Western Conference of Special Risk Underwriters.

Mr. Britton's father, Frank L. Britton, was for many years a prominent Kansas field man and company executive. A brother, Lee F. Britton, is a local agent at Tulsa.

500 Attend C.P.C.U. Presentation at Chicago

About 500 turned out for the Chicago luncheon Tuesday as C.P.C.U. diploma presentations were made to 11 successful candidates from that city and other places in the middlewest by Dr. Harry J. Loman, dean of American Institute of Property & Liability Underwriters. An address was given by Roger Kenney, insurance editor of "U. S. Investor," Boston, on the problems presented by the insurance market glut.

Myron E. Herzog, broker with Engelhard & Co., presided as head of the Chicago C.P.C.U. chapter. Dr. Loman presented the diplomas and delivered the professional charge to the group of eleven, who are: Richard Walker, Omaha; William E. Brandow, Minneapolis; Garret W. Roerink, Milwaukee; Donald R. Van Wart, Beloit, Wis., and these Chicagoans: John B. Roach, John J. Corbett, Robert W. Fraser, Samuel Yacker, B. Maynard Toelle, F. R. Miley, Kenneth E. Webster.

Donald Danforth of Moore, Case, Lyman & Hubbard, Chicago, was given a hand for his work as chairman of the luncheon committee.

Head Table Group

The head table group consisted of E. S. Hewitt, president of the Chicago C.L.U. chapter; George S. Middleton, president of Illinois Assn. of Insurance Brokers; Wade Fetzner, Jr., W. A. Alexander & Co., as trustee of American Institute of Property & Liability Underwriters; R. M. Babbitt, Jr., first president of the American C.P.C.U. Society; John J. Ahern, Illinois Institute of Technology; J. M. Eaton, American Mutual Alliance; R. I. Mehr, University of Illinois; William Laadt, Cramsie, Laadt & Co., vice chairman Chicago Insurance Agents Assn.; L. P. Warren, Associated Agencies, president Chicago Board; Robert F. Sommers, Planet, president American C.P.C.U. Society.

Dr. Loman remarked that similar presentation ceremonies are to be held next Tuesday at Philadelphia; Oct. 31, Indianapolis; Nov. 6, New York; Dallas, Nov. 20, and Cleveland, Dec. 7.

P. W. New Shares Are Being Offered at \$28

Offering of 100,000 shares of \$10 par value capital stock of Providence Washington initially to holders of the presently outstanding shares is now being made at a price of \$28 per share, on the basis of one share of the new stock for each three shares held Oct. 16. The offering to stockholders, which will expire at noon Oct. 28, has been underwritten by a group headed by First Boston Corp., G. H. Walker & Co., and Brown, Lisle & Marshall.

Proceeds will be used to increase the capital and surplus so as to improve the relationship between capital funds and the greatly increased volume of premiums written. For the past 10 years the ratio of the capital funds of the company and its subsidiary, Anchor, on a consolidated basis at the year-end to net premiums written during the year ranged from a high of 146% in 1939 to a low of 73.1% in 1946. The ratio of such capital funds as of June 30, 1947, to net premiums written during the 12 months ended June 30, 1947, was 53%. After giving effect to the minimum net proceeds to be received by the company from the present financing the ratio would have been 69%.

It is expected that substantially all of the net proceeds will be invested in securities.

Providence Washington Indemnity was incorporated on July 29, but it is expected that this company will not commence writing insurance until 1948. On Oct. 17 Providence Washington stock was quoted at 30 asked, 32 bid.

Absorbs Mich. Affiliate

Michigan Millers Mutual Fire has taken over the assets and liabilities of the affiliated Michigan Retailers Mutual, which was at one time known as Michigan Shoe Dealers. The latter company was writing net premiums at the rate of about \$150,000 in Connecticut, Michigan, New York and Ohio. At Dec. 31, 1946, its assets were \$400,495 and surplus \$240,844.



**NEW PRICE LEVELS
MEAN NEW
INSURABLE VALUES**

Revised insurance coverage based on present appraised values prevents expensive over-insurance—hazardous under-insurance. It is the sure, safe, economical way.

**The AMERICAN
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Over Fifty Years of Service

OFFICES IN PRINCIPAL CITIES

October 23, 1947
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HEARINGS START NOV. 4

Many Agents Ask to Be Heard on Co-op Tax Issue

WASHINGTON—Nov. 4 has been announced for opening of House ways and means committee hearings, expected to continue two or three weeks, on section 101, internal revenue code, relating to tax-exempt cooperative organizations, including mutual companies. One week has been allotted to each side of the controversy over tax-exemption for certain types of organizations.

Mutual interests are much concerned in this matter. The committee has received requests from a number of insurance agents wishing to be heard on the subject, but none from companies or industry associations, committee sources said.

Among insurance interests asking to be heard are: Vaughan Insurance agency, Louisville; Hellman agency, Louisville; Estill agency, Irvine, Ky.; Wilson & McPherson, Madisonville, Ky.; S. C. Barnes, Elizabethtown, Ky.; Frank B. Anderson, Anderson-Jackson-Metts insurance management, Camden, N. J.; H. T. Gardner & Son, agents, Owensboro, Ky.; Francis, Francis & Trivette, Pikeville, Ky.; J. H. McKinney agency, Owensboro; Bernard J. Weber, New Albany, Ind.; Harris, Burns & Co., Wichita; Richard F. McCreedy & Co., Winchester, Ky.

Most of their letters indicate opposition to tax exemption for cooperatives or mutuals because of its effect upon competing small businesses.

Mutual interests are understood preparing to take a hand in the hearing. Mutuals are also on guard with respect to the possibility that the House small business committee, headed by Rep. Ploeser, Missouri, a St. Louis local agent, will investigate mutual insurance.

It is understood that at the recent meeting of mutual companies at Columbus, a united front on the subject of tax legislation was urged. Mutual representatives like Philip E. Baldwin, executive secretary, National Assn. of Mutual Insurance Agents, hope and believe such a front will be presented. Mutual interests will make a presentation to the ways and means committee, according to report.

Mutuals (except those with surplus below designated minimum), since 1942 have been paying a tax of 1% on gross investment income plus premium income (ex-policy dividends) or tax on net investment income at the regular corporation rate (presently 38%) whichever is higher.

Stock companies pay at the regular corporation rate on overall profit.

Mutual spokesmen assert that in years of underwriting losses, the mutual companies may pay higher tax proportionately than will stock companies and it may even be that stock companies might have to pay no tax whereas the mutuals always have to pay a federal tax.

Exempted from federal income tax are mutuals whose gross income from premiums and investments is less than \$75,000.

The small business advisory committee of the Department of Commerce, after meeting at Washington recently, recommended equal treatment of cooperatives and other tax exempt organizations when they are in competition with private tax-producing enterprises.

Start New Newark Building

Brief ground-breaking ceremonies this week at 10-14 Washington Place, Newark, began construction of new eastern offices of Hardware Mutual and Hardware Indemnity of Minnesota. The building will occupy a 95x100 site and will be two stories, of limestone, fire resistive construction.

New England Fire Safety Parley Draws 250

HARTFORD — Fire prevention and fire fighting were stressed Friday at the first annual conference in Hartford of fire chiefs and insurance men of the New England area. This Northeastern Fire Protection-Prevention Conference brought 250 delegates for its one-day program. In the morning, at Hartford Gas Co., they heard 14 speakers. In the afternoon, they toured the Factory Insurance Assn. laboratory.

Mayor Allen and W. Ross McCain, president of Aetna Fire, and State Fire Marshal E. J. Hickey welcomed the delegates. Fire Chief Henry G. Thomas presided at a luncheon at fire department headquarters. The Hartford fire department and National Fire Protection Assn. sponsored the program. John Ashmead, Phoenix of Hartford, was chairman of the committee in charge.

Predicting that civil defense may be more important than the army and navy if another war comes, Horatio Bond, chief engineer of N.F.P.A., said decentralization of populations and industries

is far more practical than "going underground" in face of atomic bomb attack.

"How little this simple principle is recognized," Mr. Bond said, "is illustrated by an act of the United Nations Organization which, from the fire protection viewpoint, is an act of colossal stupidity. In the face of the demonstrated vulnerability of congested cities, the UN has chosen to put its headquarters in the very middle of the most congested center and the one most attractive as a target for air attack in another war."

Richard E. Vernor, Western Actuarial Bureau, Chicago, chairman of the Memphis fire department instructors' conference, was presiding officer.

Preventable fire has skyrocketed 200% in the past decade to an all-time U. S. high of \$700 million in 1947 according to Percy Bugbee, general manager of N.F.P.A. He said about 1,000 dwellings a day are being burned. "We find that careless disposal of cigarettes and matches are causing a lion's share of these fires. While careless smoking is America's No. 1 fire hazard, accounting for about one out of every five building fires, cigarette companies have been remiss in bearing their fair share of the load in correcting this hazard. The N.F.P.A. has tried in every way possible to get their aid in educating smok-

ers about the dangers of careless smoking—especially smoking in bed, but up to now cigarette companies have failed to devote even a small part of their large advertising appropriations to correct such a serious fire hazard in which they figure so prominently."

A. C. Hudson of Concord, N. H., said the underwriter is in an excellent position to assist local fire chiefs. "All too often, the property owner who may defy the fire chief will soften when an insurance rate increase affects his pocketbook," he observed.

Curtis W. Pierce, president of F.I.A. and president of N.F.P.A., described the new F.I.A. fire safety laboratory.

At the luncheon meeting Dr. M. M. Braidech, research director of the National Board, talked on "Research and Fire."

Owen Hunt Ohio Speaker

People who suffer repeated accidents or who cause them are, in many cases, really unconsciously trying to injure themselves, Owen B. Hunt, former insurance commissioner of Pennsylvania, said in an address at the 25th anniversary banquet of the Trumbull County Insurance Board at Warren, O. Mr. Hunt is now in the adjustment field at Philadelphia.



It's a grand feeling!

MANY THINGS PRODUCE

A FEELING OF SATISFACTION

I was never more satisfied than when I "went to town" selling the Comprehensive Personal Liability policy. Of course, half the battle was getting people to understand the policy and their need for it. That wasn't too difficult because I slipped a copy of the booklet "Where there's LIFE there's LIABILITY" in an envelope and mailed one to each of my prospects. Its many illustrations and the complete absence of insurance jargon made a hit with everybody. I was surprised at the profitable reaction my phone and personal follow-up calls produced, and I was amazed at the extent to which the booklet had lowered sales resistance.

Sample copy available on request.

AS COMPANION PIECES to "Where there's LIFE there's LIABILITY" we offer our agents a folder and policy tab, sales aids which have proven successful in soliciting Comprehensive Personal Liability business.

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NEWS OF FIELD MEN

Reese Is President of La. Field Men

Austin Reese, Royal-Liverpool, was elected president of the Louisiana Fieldmen's Assn. at the annual meeting, succeeding Edward W. Charlton, Jr., National. Jules Simoneaux, Henry A. Steckler Co., general agents, was named vice-president and Alvin Shepherd, general agent, was reelected secretary-treasurer.

New executive committee members are Mr. Charlton, A. P. Cunningham, Jr., America Fore, and Sam G. Peters, London & Lancashire.

President Charlton reported the field men accomplished much in fire prevention work, making numerous inspections, including office building and hotels. Membership is now 95.

Guests included R. M. McFarland, public relations director S.E.U.A.; State Fire Marshal Palfrey, A. A. Mareno, attorney; W. S. Bizzell, manager Louisiana Rating & Fire Prevention Bureau, and members of the Louisiana insurance commission.

Nelson to Security in Wash.

Security of New Haven has appointed H. Edward Nelson as special agent for Washington with headquarters in the Dexter-Horton building, Seattle.

Mr. Nelson was with the Edward Brown & Son general agency of Seattle

for 17 years, except for the three years he served overseas in the army. Mr. Nelson will succeed A. C. Tregoning, who resigned to become associated with Alexander Myers & Co., Seattle local agency.

Illinois Pond to Hold Fall Meeting Nov. 3 at Chicago

John P. Carmichael of the sports department of the Chicago "Daily News," will be speaker at the Nov. 3 meeting of the Illinois Blue Goose at the LaSalle hotel, Chicago. Mr. Carmichael will give an eye-witness account of the world series and will discuss the football season.

This will be the annual fall meeting of the Illinois pond. A number of goslings will take their first swim. A large attendance is expected, as the fall meeting always produces much of interest for members.

Secretary Born Visits Field Organization Each Week

E. H. Born of Chicago, secretary of Western Underwriters Assn., attended the meeting of Minnesota Fire Underwriters Assn. at Minneapolis this week. He is making a practice of going to some field meeting every Monday. In this way he can get in close touch with the field men. Much more will be required of them and Mr. Born explains

the program that has been mapped out. Thus the association expects to get in a more intimate touch with field men, agents and policyholders in each state. Wallace Rodgers, assistant secretary, has been acquainting the field men with the need of better public relations. In this way the association expects to become more of a grassroots enterprise.

H. C. Alexander in Tenn. Field for Great American

Harvey C. Alexander has been named special agent in Tennessee for Great American to assist State Agent Raymond A. Peterson, with headquarters in the Stahlman building, Nashville.

Mr. Alexander graduated from Vanderbilt and for eight years was with Tennessee Inspection Bureau and two years in a prominent local agency at Nashville.

Speakers Hear Martin

John H. Martin, special agent of Buckeye Union Fire, addressed the Ohio Stock Fire Insurance Speakers Assn. at Columbus Monday on "Contractors' Equipment Insurance."

T. W. Brooks to Founders

T. W. Brooks has been named special agent for Founders F. & M. to assist in supervision of the Texas field. He will be located in the City National Bank building, Houston. He was previously special agent in southeast Texas for America Fore, being moved to Houston in April, from the America Fore underwriting department at Atlanta. He is a native of Douglas, Ga., and served as a captain in the infantry during the recent war.

Hear Athletic Director

San Francisco Blue Goose started its new year series of Monday luncheons Oct. 20 with Brutus Hamilton, director of athletics University of California, as the speaker. H. H. Cobb, Loyalty group, was chairman.

Glens Falls Names Rustin

Glens Falls appointed Robert H. Rustin special agent for Texas to assist Special Agent William H. Grice, who temporarily has taken over the territory of Frank O. Long, retired under the company pension plan.

Mr. Rustin is a native Texan and a graduate of the University of Texas. He served in the army overseas. He has been with the state fire insurance commission doing rating work and more recently traveled as special agent for Phoenix of Hartford.

Dearborn National Names Clark

Dearborn National has named Roy W. Clark in the northern Indiana field with headquarters at Indianapolis.

Iowa Fire Prevention Assn. will inspect Ida Grove Nov. 13.

The ladies auxiliary of Louisiana Blue Goose at its annual meeting at New Orleans elected Mrs. Jules Simoneaux, president; Mrs. Lake Dupree, first vice-president; Mrs. Theodore Hickey, second vice-president; Mrs. R. M. Franklin, recording secretary; Mrs. Harry Mosanto, corresponding secretary; Mrs. Marie A. Gresset, treasurer. Mrs. Henry Chamberlain is retiring president.

Ia. Steering Group Meets

DES MOINES—The executive committee of Iowa Assn. of Insurance Agents will meet here Oct. 30. It will be the first meeting of the committee with its new secretary-manager, James W. Richards.

Vernor to Speak in Ark.

The newly organized Arkansas Fire Prevention Assn. will conduct its first town inspection at Fayetteville Nov. 5-7. Richard E. Vernor, fire prevention manager of Western Actuarial Bureau, will be speaker at the meeting.

CHICAGO

GAIL REED OPENS OFFICE

Gail Reed, prominent Chicago broker, who for a number of years was active in the Insurance Brokers Assn. of Illinois and as its legislative chairman spent much time at Springfield in connection with the insurance code and the brokers and agents qualifications act, has opened his own independent brokerage office in A-1838 Insurance Exchange. For 21 years he has been a broker associated with Fred S. James & Co. His brother-in-law, Willett M. Potter, also an independent broker, shares the space with him.



Gail Reed

SHOW G. A. B. PICTURE

Millers National procured the General Adjustment Bureau colored movie of the San Antonio hailstorm, Woodward tornado and Texas City explosion, and showed it to a group of more than 100 brokers and class one agents at Chicago, Friday morning. Assistant Secretary Leo Menner was master of ceremonies, and other officials were on hand to greet the producers. This was the first time the picture had been shown at Chicago and it elicited much interest.

RUST IS DISTAFF SPEAKER

Charles C. Rust, supervisor engineering and inspection department of Aetna Casualty, spoke at the first fall dinner meeting of the Insurance Distaff Executives Assn. of Chicago. His talk on "Dust Explosions" was graphically illustrated by actual experiments. A motion picture, "Friend and Foe," dealing with fire hazards in the home, also was shown.

ROACH LOCAL AGENCY MANAGER

John Roach, who has been connected for 30 years with Aetna Casualty in Chicago, has resigned to enter the local agency business as manager of the Summer Agency, Inc., of that city. The agency, founded by Fred J. Summer, was sold in 1942 to Clarence Barbel and Ray Johnston, who have conducted it ever since. They have disposed of their interests in the agency, Mr. Johnston moving to Antioch, Wis., to live and Mr. Barbel temporarily being retired from the business. The Summer agency, formerly a sole proprietorship, has been incorporated.

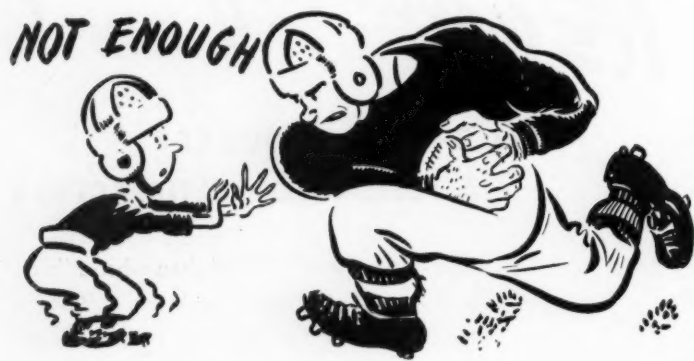
Mr. Roach started with Aetna Casualty at Chicago in the accounting division, then became an underwriter and for the last 25 years has been in the agency department there. He has been handling agents' and brokers' business for about seven years, and also the Aetna's analysis and survey department. He is being awarded the C.P.C.U. designation.

The Summer agency is one of the most successful in south side Chicago, being devoted exclusively to insurance, and handling no real estate sales or

FACTUAL APPRAISALS

SOUND
COMPETENT
RESPONSIBLE

The Lloyd Thomas Co.
APPRAISAL ENGINEERS
CHICAGO 40



"Not enough" - we hear it all too often these days. That's why we continue to urge adequate insurance to protect the property owner.

THE CHARTER OAK FIRE INSURANCE COMPANY

Country-Wide Insurance Analysis
and Claim Service

Hartford, Connecticut

ONE OF THE TRAVELERS COMPANIES

Reinsurance

Of Every Description
Domestic and Foreign

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management. When Mr. Summer sold out in 1942 he moved to the west coast where he now lives.

Mr. Roach was tendered a farewell luncheon by about 90 Aetna Casualty brokers and employees and was presented a watch by Agency Superintendent Arthur J. Higgins. Donald Weiser, Aetna Chicago manager, presided, and talks were made by George Olson, western manager of Automobile; Mark V. Campbell, marine manager, and Vern Damarin, president of Aetna Casualty Club.

B. E. FLOOD TO C. & R.

Benjamin E. Flood has joined Corroon & Reynolds at Chicago under P. W. Freilich. He will serve as underwriter and inspector. Formerly he was with Kentucky Inspection Bureau and Factory Insurance Assn.

C. E. Harbin, manager of Underwriters Grain Assn., Chicago, was in Kansas and Oklahoma on business last week.

Hartford Class Graduates

Thirteen agents and two wives from 12 states and one Canadian province have completed the 11th Hartford Fire insurance training course.

Arthur N. Eagles, director, assisted by 12 of the home office staff, have charge of the four week study of fire insurance and agency management.

Classes in 1948 will be held Jan. 19-Feb. 13; March 1-26; April 12-May 7, and May 24-June 18.

Discuss New Wash. Code

Commissioner Sullivan and his deputies will discuss practical application of the new Washington insurance code, which went into effect Oct. 1, at a special luncheon meeting of the King County Insurance Assn. Nov. 7.

A panel of deputies will cover points of special interest to agents and brokers followed by a question and answer period. Lloyd A. Perkins will be chairman.

O'Donnell Heads "Norbrit Guards"

A. J. O'Donnell was elected president of "Norbrit Guards," 25-year club of North British, at the annual meeting. E. J. Meiners is vice-president; C. B. Ellard, secretary, and Miss H. N. Post, treasurer.

No Unauthorized Premium Tax on Governmental Lines

The Surplus Line Assn. of Washington has secured a ruling from D. C. Bliss, deputy commissioner of internal revenue, that states and political subdivisions thereof are not subject to the documentary stamp tax imposed on all unauthorized insurance policies. Unauthorized insurance—principally Lloyds—takes a tax of 4% of the premium on all lines except personal insurance, on which the rate is 1%.

The Washington association raised the question when one of its members wrote a policy covering employees of a state educational institution. The institution questioned the taxability of the policy and the claim was referred to the internal revenue department for a ruling. The institution's opinion was held to be correct.

Booklet Gives Latest Data on Post-S.E.U.A. Legislation

A booklet entitled "Insurance as Interstate Commerce—the Third Year" has been issued by a special committee of the American Bar Assn.'s insurance law section, of which John V. Bloys, as-

sistant general counsel Life Insurance Assn. of America, is chairman. It supplements a similar publication covering the first two years of insurance as interstate commerce and gives the status of legislation as of the end of the 1947 legislative season.

The booklet covers the congressional extension of public law 15, lists the 1947 enactments of rate-regulatory laws, indicating whether they follow the commissioners and all-industry committee recommendations or not. It does the same for the fair trade practice bill and the all industry-N.A.I.C. accident and health bill. It then takes up 1947 legislation in addition to the foregoing. There is included a digest of all of the all industry-N.A.I.C. standard bills and a chart showing in detail the fate of all-industry and related legislation in 1947, both those that passed and those that failed. A supplemental bibliography lists law review and other articles and pamphlets published on the subject since the earlier booklet was issued.

Freeman C. Read of Chicago, Cook county manager of the Royal Exchange group, and Frank Morel of the R. W. Hosmer & Co. agency, also of Chicago, drove to Miami to do some deep sea fishing.

Appleton & Cox Opens Denver Unit Under Hooker

Appleton & Cox has established a branch office to serve Colorado, Wyoming and New Mexico, in the Patterson building, Denver, in charge of Charles J. Hooker, state agent.

Mr. Hooker, who joined Appleton & Cox in July, is a native of Denver. He entered the business there in 1936 with Mountain States Inspection Bureau. In 1942, he entered the production field and traveled in three states for American. He has received a thorough training in both the Chicago and New York offices of Appleton & Cox.

Insurance Institute Meets Oct. 28

Insurance Institute of America will hold its annual conference Oct. 28 in New York city. In addition to the usual proceedings, there will be a report on the findings of the educational survey made for the institute by the business school of the University of Pennsylvania.

The Suffolk county group of the Massachusetts Assn. of Insurance Women held a dinner in Boston with Frederick R. Sullivan, sheriff of Suffolk county, as the speaker.

How A COMPANY HELPS ITS AGENTS — THROUGH PRACTICAL PROMOTION



STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago
Oct. 20, 1947

	Div.	Bid	Asked
Aetna Casualty	3.00	76	78
Aetna Fire	1.80*	46 1/2	48
Aetna Life	1.60*	40	42
American Alliance	1.00*	19	20
American Auto	.80	34	35 1/2
American Casualty	.60	10 1/2	11 1/2
American (N. J.)	.70*	16	17
American Surety	2.50	56 1/2	58
Baltimore American	.30*	5	5 1/2
Boston	2.20	60 1/2	62 1/2
Camden Fire	1.00	21 1/2	23
Continental Cas.	2.00*	46 1/2	48
Fire Association	2.50	46 1/2	48
Firemen's (N. J.)	.50	12	13
Franklin Fire	1.00	19 1/2	20 1/2
Glens Falls	1.60	41 1/2	43
Globe & Republic	.50	8	9
Great Amer. Fire	1.20*	28	29
Hanover Fire	1.20	25	26 1/2
Hartford Fire	2.50*	105 1/2	107 1/2
Home (N. Y.)	1.20	24 1/2	25 1/2
Ins. of N. A.	3.00*	95	97
Maryland Casualty	. . .	12 1/2	13 1/2
Mass. Bonding	1.60	31 1/2	33 1/2
National Casualty	1.25*	28	30
National Fire	2.00	47	49
National Lib.	.30*	5	5 1/2
New Amsterdam Cas.	1.00	28 1/2	30
New Hampshire	1.00*	47	49
North River	1.00*	24 1/2	26
Ohio Casualty	. . .	36	. . .
Phoenix, Conn.	2.00*	81	83
Prov. Wash.	1.40*	31 1/2	33
St. Paul F. & M.	2.00	70	73
Security, Conn.	1.40	26 1/2	28
Springfield F. & M.	1.90*	44 1/2	46
Standard Accident	1.45	31	33
Travelers	18.00	552	572
U. S. F. & G.	2.00*	43	45
U. S. Fire	2.00	51	53

*Includes extras.

†Ex. rights.

‡New par value stock.

Insurance promotion, to be practical, must be addressed to people! People are the most important single element in the insurance business. It's people who buy protection for their houses, furniture, jewelry, automobiles, businesses, liability. It's *people* that the insurance business is primarily interested in—because it's people who suffer losses and who, therefore, need insurance. Our insurance promotion is aimed at *people*, to tell them what *your* insurance and *your* service will do for them and how and where they can get it.



Ohio Farmers Companies

OHIO FARMERS INSURANCE COMPANY

CHARTERED 1848

OHIO FARMERS INDEMNITY CO.

Le Roy, Ohio



THE INSURANCE AGENT IS A GOOD MAN TO KNOW

EDITORIAL COMMENT

Insurance and Public Relations

Insurance can learn something from other great enterprises and other great enterprises can learn something from insurance. We are of the opinion that insurance can learn a most useful lesson in public relations by studying the plans of some of the successful organizations that have developed courses along well thought out lines.

When we study the industries that have become successful in public relations we find at the head of that department a very high grade man and he is paid the same salary as one of the top executives. In fact, he is a part of the inner executive circle. He attends all important conferences and meetings. He is looked upon as a big man in a big place. His mission is to study ways and means whereby his industry is to

meet the needs of the public. He is an authority on the demands of the people. He seeks at all times to find ways and means of making the people more friendly to his organization. The secret of success of this official is that he rates high, his word is authoritative, and he is well adapted to his special line. He is looked up to, he is conferred with.

We must confess that probably relatively few insurance companies have regarded public relations with the seriousness it deserves. It should be handled by a person of superior mold, experience and adaptability. It is not a job for a man far down the line, however trustworthy he may be in his special line. It requires a man of great vision, of broad sweep, and possessing high mental quality.

Preservation of the Business

An agent made a suggestion the other day that sounds particularly pertinent in these times. He said that those in the business should stop harvesting a little and spend some of their time on the preservation of the business.

What he meant was that many issues are being debated and settled today, issues that will govern the business for years to come. This is certainly true in the field of legislation. But it goes beyond that. It is also true in fire and accident prevention. The present heavy loss ratios in the fire and automobile fields indicate that much work needs to be done there. The insurance business bears some of the responsibility for reducing fire and accident losses. One practical result, of course, would be to

improve the agent's market for placing business.

The agent said that the insurance business has been good to him and to a great many others. It is time they did something for it, now and for the future.

It is a suggestion that makes sense. The ways are clear in which an insurance man can plow back into the industry some of the profits of the present and past. They consist of those things about which there has been a great deal of talk—fire and accident prevention, automobile driver courses in schools, the successful propagandizing of safety in factories and homes, an intelligent interest in laws and legislation—but not too much action. The time is opportune, he thinks, and calls for action.

PERSONAL SIDE OF THE BUSINESS

About 25 friends of **Edward R. Hardy**, secretary-treasurer of Insurance Institute of America, gave a luncheon for him at New York. Presiding was Robert P. Barbour, retired U. S. manager of Northern Assurance and others spoke in tribute to the honor guest.

Mr. Hardy served as secretary of the society of New York from 1910 to 1946, and helped to organize Insurance Institute of America in 1909. He has been its secretary since 1919. He was an insurance lecturer at New York University from 1906 to 1946.

C. J. Robideau, secretary North Dakota Farmers Mutual Fire & Lightning, retiring president of National Assn. of Mutual Insurance Companies, was given a silver service on behalf of the members at the banquet closing the convention

by G. A. McKinney, Millers Mutual Fire, Alton, Ill., a former president. J. H. Rolston, West Rockingham Mutual Fire, Harrisonburg, Va., also a former president, tendered a gift to Miss Marie L. Huffman, assistant secretary at the central office many years.

The **McWethy Bros.** agency of Aurora, Ill., that was honored recently at a dinner, marking its 75th anniversary of representation of North America, was founded 78 years ago, the founders being the brothers James McWethy and Henry L. McWethy. The former died in 1902 and the latter in 1930.

Later, four sons of the two founders went with the organization and it is now in the hands of James L. McWethy and his son, Richard E. McWethy; Augustus S. McWethy and his son, James A.

McWethy, and Daniel V. McWethy and his son, Daniel V., Jr.

This is the largest Illinois agency of North America outside of Chicago.

Vice-president Bradford Smith, Jr., of North America presented the agency with a testimonial plaque at the dinner.

John A. Diemand, president of North America, has been chosen as general chairman of a citizens committee of prominent Pennsylvanians which will direct the forthcoming celebration of the 100th anniversary of Girard College.

Mr. Diemand, who graduated from Girard in 1903, is a former president of Girard College Alumni Assn., and he is vice-president of the Board of City Trusts which administers Girard College.

C. S. Miller of the Chicago adjusting organization of Whitney & Miller has returned from a novel air voyage.

Seaboard & Western, an air freight line operating out of New York, let him stow away with some technical test equipment for Dutch Airline K.L.M., and a few tons of nylon hose. He rode this DC4 from Sayville, L. I., to Gander Field, Nova Scotia, and landed in Brussels the next morning. From Brussels to Geneva, Switzerland, to Amsterdam, Holland, to Keflavik, Iceland, to Gander and back to LaGuardia Field, New York—six countries—six days.

Fowler Barker, editor of "Air Transport Magazine," was disturbed that he would not arrive at Chicago in time to deliver a talk before the transport division of National Safety Council, but he made it.

Grand Rapids Assn. of Insurance Agents, Nov. 6, is honoring Commissioner **David A. Forbes** of Michigan at a dinner that will be attended by Gov. Sigler and other state officials.

This is in recognition of his recent election as chairman of the executive committee of National Assn. of Insurance Commissioners.

Mr. Forbes in private life is a local agent at Grand Rapids and is a former president of Michigan Assn. of Insurance Agents. He continues to hold his interest in his local agency, but only renews business that he controlled before he went into state office. He does not solicit new business.

Laurence W. Smith, Grand Rapids insurance attorney, will be the presiding officer. In addition to Gov. Sigler, brief talks will be made by State Treasurer D. Hale Brake; H. A. Clark of Chicago, vice-president of Firemen's; A. F. Powrie, Chicago, western manager of Fire Association; E. M. Griggs, Chicago, associate general counsel of National Board of Fire Underwriters, and Commissioners Pearson of Indiana, Parkinson of Illinois and Johnson of Minnesota.

E. H. Hammer, secretary to C. W. Ohlsen, western manager of Sun, is rounding out 38 years of service with the organization. He was employed as secretary when John J. Purcell opened

the department. He was a shorthand stenographer for Marsh & McLennan before going with Sun.

In that early day there were many male stenographers who wrote shorthand and it was often seen that they were secretaries, especially in western departments. Mr. Hammer perhaps is the only one in Chicago holding a position of that kind now.

DEATHS

Wallace F. Flanders, 75, vice-president of Dewick & Flanders, Boston, died at Deaconess hospital after an illness of several weeks.

Mr. Flanders was born in Boston and had been in the insurance business for more than 50 years. He was also vice-president of Winchester National bank and was active in many civic organizations.

His son, Franklin A. Flanders, was associated with his father in the insurance firm.

Clifford L. Beardsley, who retired in 1944 as underwriting manager of the New York local agency department of America Fore, died at Brooklyn. His age was 63. He started with America Fore in 1903 as an inspector in the New York local department. He was an outstanding contract bridge player and was treasurer of Insurance Bridge League.

James M. Hayes, Jr., 67, for many years deputy fire marshal of Virginia, died of pneumonia which developed following a major surgical operation at a Richmond hospital. His principal duty was supervision of investigation of incendiary fires.

William C. Bradt, 60, Milwaukee local agent, died at his home after an illness of a year. He had been active in insurance for 40 years, starting with Northwestern National and going with Milwaukee German Fire until 1913. He was state agent for a time for American Eagle and then became head of the insurance department of Chris. Schroeder & Son Co. When the Julius Bacher agency was formed in 1932, Mr. Bradt became president and general manager, and about 10 years ago he organized the W. C. Bradt & Son agency with his son, who died in 1944 while in the army.

William H. Woodruff, 75, retired manager at Los Angeles of Fireman's Fund, died at his home there. For a number of years he was in charge of marine underwriting in Los Angeles and later was made manager of the office.

Harry C. Woodsmall, 47, Indianapolis local agent, died of injuries suffered in an automobile accident near Lebanon, Ind. He was returning from the Purdue-Notre Dame football game when the accident occurred. He was a son of H. H. Woodsmall, head of the H. H. Woodsmall general agency in Indianapolis, of which his brother, Barrett M. Woodsmall, is also a member. Another brother, H. H. Woodsmall, Jr., conducts an agency at Miami.

Mrs. J. N. Montgomery, who died at Fredericktown, O., last Friday after a lengthy illness, was the mother of three insurance men—V. L. Montgomery, Chicago manager of North America; Dwight Montgomery, Ohio state agent for Ohio Farmers, and Doyle Mont-



C. S. Miller



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SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. EXbrook 2-3054. F. W. Bland, Pacific Coast Manager. Guy C. Macdonald, Pacific Coast Editor.

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Approach Question

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gomery, with Western Adjustment at Marion, O. Funeral services were held Sunday.

J. Harry Asman, 75, local agent and chairman of the insurance committee of the Ohio house, died at his home in Cincinnati after a long illness. He had been a member of the Ohio legislature 12 years.

Harry W. Swenson, Erie, Pa., local agent, died there following a heart attack.

Walter B. Wilber, 75, office broker with the Herrmann & Co. agency of Chicago and agent of Scottish Union & National at Crystal Lake, Ill., died in the latter town following an extended illness after a heart attack. He had been in the insurance business at Chicago for about 50 years.

He had been associated with Herrmann & Co. for about 25 years and previously for some time with the Rollo, Webster & Co. agency of Chicago. Before that he was in the business for some time as a class 1 agent and member of the agency firm of Rafter & Wilber there.

Harry L. Ridenour, Wayne county and southeastern Michigan fire manager for Automobile of Hartford, died at Harper hospital, Detroit. Mr. Ridenour had undergone an operation and was recovering nicely when he contracted pneumonia.

Mr. Ridenour tarted in the business with American Eagle as an examiner at Chicago. He was employed by the late Alfred Stinson, who was secretary in charge and later became secretary of Automobile. Olaf Nordeng, who is now secretary of Automobile, was agency superintendent at Chicago for American Eagle at that time.

Mr. Ridenour later went to the Michigan field for American Eagle and subsequently joined American of Newark. He became Wayne county manager for Automobile in 1932.

Approach Auto Commission Question Obliquely

(CONTINUED FROM PAGE 1)

than it does for fire, because the longest term for which an automobile physical damage policy is written is 18 months. However, in the fire end, due to the large amount of term business, some freak distortions are frequently found.

Another proposal that is getting serious consideration is to base the contingent results on an average of three years or to carry over deficits for as long as three years.

In the inland marine field there are few contingent arrangements in which the home office expense factor is as low as 7½%. There are a number at 10% but it is said that most of the new contracts that are being made embrace a 12½% factor and there are some company men that advocate 17½%.

The N.A.U.A. resolution that was adopted reads:

"Resolved, that the National Automobile Underwriters Assn. abrogate the Rules Governing Qualifications of and Compensation to Representatives.

"Resolved, that in view of the fact that a necessary function of the . . . association in the making of rates for automobile physical damage coverage is the use of factors contemplating the commission to the policy writing local agent as the term is customarily understood according to fire insurance company standards, it is recommended that the . . . association hereby adopt as such factors a figure not exceeding 25%."

At the same time it was announced that N.A.U.A. had given up all jurisdiction in respect of auto P.D. and the casualty bureau had shed jurisdiction over collision.

Albert J. Killard, claim department manager Zurich at Pittsburgh, will discuss "Workmen's Compensation Claims" Oct. 28 before the Insurance Buyers of Pittsburgh.

N.A.I.A. Sticks to Its Guns

(CONTINUED FROM PAGE 1)

sion of the board closed with the members feeling that more thought was needed on this important subject, so a special session was held Wednesday noon, prior to the executive luncheon at which officers were nominated and executive committee members elected. At this session Mr. Wolff, who had been made chairman of a special committee to study the subject, offered a statement asking the executive committee to continue its study of operating costs, and stating that the national board approved its present position that nothing should be done until this study is completed. Mr. Wolff's report was adopted unanimously and with little discussion.

At the same session, the resolution on underwriting capacity, presented by H. H. Lipps, Lewiston, Ida., chairman of the subcommittee to present resolutions, was approved with no comment. The only other resolution called upon N.A.I.A. to support actively highway safety measures.

Closing Ceremonies

At the final session Wednesday, in addition to the formal addresses of W. E. Robinson, vice-president New York "Herald Tribune" and P. H. Nystrom, professor of marketing Columbia University, G. E. Edmondson, Tampa, immediate past Most Loyal Grand Gander of the Blue Goose, was introduced and talked briefly on the ideals of his organization. Miss Helen Stombs, Rock Island, president National Assn. of Insurance Women, also took a bow. C. E. Freeman, Springfield F. & M. advertising manager, conducted the drawing for the "Covered Wagon" picture, which had been featured in the headquarters of this company assisted by R. E. Wessendorf, Chicago, assistant secretary of the company. E. C. Griggs, Lakewood, N. J., was the winner, and a consolation prize, a replica of the "wagon" was won by R. W. Thompson of Dallas.

W. B. Calhoun, Milwaukee, past president, presented the formal thanks of N.A.I.A. to the Atlantic City board and the New Jersey association. He recalled the 1926 meeting at Atlantic City, which he had attended, and said that the current one outstripped it in every way.

The installation ceremonies were conducted by E. M. Allen, now of Keswick, Va., who was president of N.A.I.A. in 1917 and 1918, when he was a local agent at Helena, Ark., and who later became vice-president of National Surety until his retirement recently. Mr. Allen was deeply moved by the occasion, particularly when he pointed out that the gavel which he turned over to President-elect Welsh had been first presented to N.A.I.A. at the Louisville convention in 1919, when he was president. The head is made of pieces of wood from each of the 48 states.

After retiring President Guy T. Warfield, Jr., Baltimore, had announced the election of Messrs. Johnson and Chrisman to the executive committee and presented the nominations of Messrs. Welsh and Stott, which were approved unanimously. W. H. Menn, Los Angeles, past president, and C. M. Putnam, Oakland, president California association, escorted Mr. Welsh to the platform. Messrs. Carson and Chrisman escorted Mr. Stott, while Mrs. Warfield was brought up by A. P. Weaver, Baltimore, president Maryland association, and Mr. Johnson.

Eugene Battles, Los Angeles, and J. F. Van Vechten, Akron, member of the national executive committee, escorted Mrs. Welsh and A. C. Deisseroth, Syracuse, president New York association, and Executive Committeeman V. R. Lee, Chehalis, Wash., did the honors for Mrs. Stott.

After Commissioner Carey of New Jersey swore in the new officers, and Mr. Allen spoke movingly on the need

for leadership, Mrs. Warfield was presented with a silver tea and coffee service. In accepting it, she won the crowd by remarking that the presentation was made on their wedding anniversary and it was a strange coincidence that she both got Mr. Warfield and got him back on the same date.

Much Turmoil in Chicago Fire Insurance Arena

(CONTINUED FROM PAGE 3)

dering whether it would be feasible to have their brokers licensed as agents, so as to earn an extra 5% on the business of such producers. It would be costly to get agents' licenses for these producers and such arrangements as this were not contemplated when the 5% extra plan was recommended. This was intended to apply to existing bona fide agency supervisory setups already in existence.

ATTACK BOSTON SCALE

According to reports from Boston, the companies are negotiating with agents for commission reductions there. It is said that the top limit that is being proposed is 25% but that there are indications that there may be a compromise at 27½ or 28%. This would represent a reduction of about 5 percentage points.

It is said that the top commission may be confined to the metropolitan area, or to business that arises through sub-agents that are supervised by the general agent. Thus, top commissions would not be paid on business outside of Boston.

Monsanto Medical Head Tells Texas City Story

ST. LOUIS—Dr. R. Emmett Kelly, medical director of Monsanto Chemical Co., told the St. Louis Blue Goose the gripping story of the medical and hospitalization problems resulting from the Texas City disaster and how his own company arose to the emergency when 17 of the 19 executives in its plant there were killed and all but 21 of the 400 executives and workers on the job were either killed or injured.

The final figures for Monsanto showed 140 killed with all but 21 eventually identified, while 205 others were injured severely enough to be off the job seven days or more. The casualty roll for the entire city was 592 killed and missing and of these 483 bodies were recovered, while 3,000 persons were injured and the property loss was placed at \$67 million. Monsanto carried \$14,750,000 of fire insurance with Oil Insurance Assn. and \$7 million of U. & O. plus \$570,000 with Lloyds.

He said Liberty Mutual, which carried the compensation, has or will pay out \$1½ million in claims, while Metropolitan Life paid out \$1,100,000 on group life, including double indemnity.

In response to a question as to whether it had been determined who was liable he said that right now everyone is collecting from the insurance companies.

Leonard S. Poor, most loyal gander, and W. Ayton Cox, welder, gave reports of the grand nest at Miami. Mr. Cox also added a description of the destruction along the Gulf Coast by the hurricane. Mr. Cox and George W. Steinkamp and their wives made an automobile trip from Miami to New Orleans managing to stay either a few hours before or after a hurricane, without actually being caught. Mr. Cox said that the destruction was terrific at spots, especially in Mississippi gulf towns.

Walter F. Elmer, cashier of Scottish Union & National, marked last Friday his 50th anniversary with that company. He is next to the oldest employee in the office.

Mr. Elmer began as a filing clerk. One of his associates was Wilfred Kurth, who later advanced to highest executive post with Home.

H. W. Miller to Be U. S. Manager

(CONTINUED FROM PAGE 1)

tired, of the combined activities of the Commercial Union-Ocean group. In 1936 he was made sole manager of the Pacific department.

F. H. Spencer, presently assistant manager, who will move to the top position in the Pacific department, was employed by Ocean in 1920 in the underwriting department. Later he became superintendent of the entire casualty underwriting of Pacific Coast business. He was appointed assistant manager to the group in 1934.

J. D. Keating, assistant manager, will continue in charge of fire underwriting in Pacific Coast territory. Mr. Keating joined Commercial Union in 1922 as special agent in Ohio. He was transferred to the coast in 1931 as district superintendent at Los Angeles where he had charge of southern California. In 1934 he went to San Francisco to take charge of fire underwriting and in 1938 he was appointed assistant manager. Mr. Keating is also a vice-president and director of the California.

Joseph to San Francisco

Joseph E. Joseph, at present resident manager of the group at Los Angeles, will be appointed assistant manager and transferred to San Francisco to assist Mr. Spencer on the casualty side. Mr. Joseph has been with Ocean since 1923 and advanced steadily, becoming superintendent of underwriting in 1929. In 1935 he was appointed resident manager.

Mr. Koeckert is a native of Indiana and entered the business with the old German Fire of Indianapolis. He was in the Indiana field for Phenix of Brooklyn and then in the western department of Fidelity-Phenix as executive special agent. He became western manager of Continental in 1916 and in 1917 was made vice president of that company, and went to the head office. In 1920 he joined Commercial Union and in 1927 became U. S. manager.

Sherwood to U. of Conn.

HARTFORD — Hober D. Sherwood has been named assistant dean of the insurance school of the University of Connecticut to assist Laurence J. Akerman, acting dean.

Mr. Sherwood was manager for Travelers in New Haven and Vancouver, B. C., for several years, and also taught casualty insurance in the home office during 15 of the 28 years he was with Travelers. He retired from Travelers the first of the year. He is a graduate of the University of Colorado and Harvard.

St. Joseph Rates Raised

Fire insurance rates in St. Joseph, Mo., have been increased 5%, due, the Missouri Inspection Bureau states, to license increases.

Davies to Phoenix, Conn.

Phoenix of Hartford has appointed Vincent E. Davies as special agent with headquarters at Syracuse.

The territories supervised by R. M. Carothers, Henry O'Loughlin and John A. Riley are being revised.

Mr. Davies has been in field work several years and has likewise had local agency experience.

Surety Underwriters Lay Plans

Plans for the annual meeting in November were discussed at the Oct. 22 luncheon of the Surety Underwriters Assn. of Chicago. The nominating committee presented its slate and there was some discussion of proposals to revise the by-laws.

The annual banquet and election will be Nov. 13 at the La Salle hotel.

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Bank Crimes on Upswing, Greater Protection Urged

Says Loss Prevention Will Aid in Maintaining Present Insurance Rates

NEW YORK—Paralleling the experience after the first war, crimes against banks are increasing, according to Frederick B. Post, chairman insurance and protective committee of American Bankers Assn., and president State Savings Bank, Ionia, Mich., in his annual committee report.

Increase in crimes against banks has been less than in other categories, Mr. Post said, but there is a threat that the new crop of criminals may turn their attention to banks, just as they did in the years after the first war. It is, therefore, important that banks now take every precaution to prevent loss.

Hold-up Robberies Increase

Mr. Post reported that for the third successive year there has been an increase in hold-up robberies of banks, 54 daylight hold-ups being reported during the year ended Aug. 31, as against 48 in 1946 and 37 in 1945. Night burglaries of banks totaled eight in 1945, 20 in 1946, but declined to 17 this year. Losses sustained in the hold-ups amounted to \$264,285, and the burglary loot totaled \$128,101.

"The upward trend should serve to alert all bankers to the realities of the situation before banks are threatened with another wave of robberies as in 1932 when 631 bank burglaries and hold-ups were reported," he commented.

Greatest concern of the banks in the field of crime prevention, Mr. Post said, is dealing with defalcations by officers and employees. These extend over periods ranging up to 20 years before discovery, and often involve substantial amounts.

Another feature of recent bank crimes is the sudden flurry of burglaries directed against so-called night depository "safes" or chests. For more than 20 years, banks have rendered depository service for customers after banking hours. Throughout that period, no burglaries of night depositories were reported but in the year ended Aug. 31 burglars attempted to crack only the night depositories in nine of the 17 banks burglarized.

"Banks whose safes are entered and robbed invariably suffer a heavier penalty in reduction of experience credit in their blanket bond premium than the additional cost of stronger depositories which resist the tools and torches of robbers," he remarked. In most cases, the bank's loss experience under the blanket bond has been good enough during the five years preceding the premium due date to entitle it to an experience credit running as high as 40%. When an insured loss approaches the total premiums paid during the five-year period, it means an increase of 66 2/3% in the premium of any bank which previously enjoyed a 40% credit.

Quality of protective installations and alarm equipment, plus preparatory employee bank training and efficient police work can be credited with recovery of \$137,000 in 27 bank hold-ups. Officers and employees of 21 other banks frustrated the efforts of bandits in the course of attack.

In addition, 33 banks would have

IMPASSE IN MASSACHUSETTS

Harrington Asks Company Aid in Compulsory Rate Tangle

The conference on the 1948 compulsory automobile insurance market shortage this week between casualty company executives and Commissioner Harrington, it is reported, resulted in agreement by executives to support any reasonable plan to absorb difficult-to-place risks. A committee was named to work up a plan and there will be another meeting at Boston Monday.

BOSTON—The Massachusetts compulsory automobile liability law situation has reached such an impasse that Commissioner Harrington called into secret conference the presidents and vice-presidents of all companies writing the line in Massachusetts. He outlined existing conditions and asked the company officials to aid him in reaching a solution. It is not expected they will have any concrete proposition to offer until more time has been devoted to the problem.

Caught Between Two Fires

The promulgation of the tentative compulsory liability rates for 1948, showing a general increase of 5%, with a representative of the stock companies declaring a 15% rise is imperative; with state-wide indignation of car owners over the constantly increasing rates and protests from city officials over the almost prohibitive local charges, has resulted in a turmoil.

Commissioner Harrington says some 24,000 cars have now been forced into the class of assigned risks, having been rejected by two companies. There is strong indication that possibly 100,000 of the 800,000 passenger cars usually registered in the state may not be able to go on the road for lack of insurance next year. This is due to the fact that at least three, possibly four, companies have indicated they will write no compulsory liability policies in Massachusetts next year, while Massachusetts representatives of liability companies generally have been notified to cut down their writings, many of them to 50%.

No Alternative Allowed

The companies point out that it is not reasonable to suppose that they would voluntarily reject some \$2 million of automobile premiums in Massachusetts if the line could be written without loss.

The rates have to be fixed by the commissioner according to the statute and he has no alternative as to making the rates reasonable and adequate. In endeavoring to be "reasonable" on behalf of the car owners he faces the com-

suffered loss by burglary except for reliability of equipment. These banks halted burglaries by installation of modern vaults and safes, operation of automatic alarms, plus the counterattack by bank guards and police.

Other crimes perpetrated by forgers and sneak thieves numbered 102, plus 26 mortgage swindles. In the aggregate, 153 crimes of all classifications were investigated by the committee.

Mr. Post noted that the committee has been successful in raising the quality of registered mail insurance and the Lloyds banks' and trust companies' policy. During the year, negotiations were also concluded for substantial reductions in registered mail and express insurance rates and broadening and clarification of coverages which became effective last March 1. Estimates indicate that these reductions will aggre-

plaint that the schedule he has promulgated is not adequate for the companies, in view of mounting losses and costs of settlements.

Being squeezed between the two interests, the commissioner called the meeting of the company executives to find a solution if possible.

Appearing before the commissioner, R. A. Cutter, counsel for the Massachusetts Automobile Rating & Inspection Bureau, representing the stock companies, declared that a steadily rising trend in the accident frequency rate and claim settlement costs call for not less than a 15% increase in rates for next year, or 10% more than the commissioner had allowed.

Mr. Cutter brought out that the experience of 1940, 1941 and 1946, which the department used in computing its estimates, was not at all adequate to reflect the present trend and that the 1947 experience should have been used as more accurately showing present increased losses and expenses, which are certain to be worse in the coming year. He said the accident frequency had risen 11% the first six months of this year and claim settlement costs were 2% higher than a year ago. Mr. Cutter also recommended a slightly higher rate for car owners whose annual mileage exceeds 7,500 miles and for drivers under 25.

Frederick B. Willis of Saugus, house speaker, advocated changing the law to set a flat rate for the entire state, but admitted it would be impossible to get such a measure through the legislature with a majority of the members living in rural and low rate areas. He suggested a statewide referendum on the flat rate question. He said it's the commissioner's job to even things off so that people from such places as Saugus, Revere and Chelsea wouldn't have to pay such high rates.

James M. Keefe of Lawrence, president Massachusetts Car Owners Clubs; Rep. Thomas P. O'Neill, Jr., Cambridge, Democratic floor leader; Francis R. A. McGlynn of Worcester. Rep. John H. Valentine, Chelmsford, Republican floor leader, the mayors of Revere and Chelsea, and representatives and officials of Boston, Cambridge, Wilmington, Lynn, Lawrence, Holden, North Adams, Chelmsford, Haverhill, New Bedford, Springfield and other municipalities all opposed the tentative rates scheduled by the commissioner for 1948.

Throughout the hearing there was very general expression of a demand for the repeal or change of the law and favoring a flat rate for the state or a merit rating plan.

gate about \$1 million annually.

The committee urged surety companies to make safe depository liability insurance available to commercial banks by optional endorsement to bankers blanket bonds. It has proposed an endorsement similar in substance to the clause which has granted this coverage for many years in blanket bonds issued to mutual savings banks. For commercial banks the report said the principal advantages of bringing this coverage into the bankers blanket bond are:

- Restoration after one loss is retroactive as to any other prior losses, instead of limiting reinstatement only to subsequent losses as in the separate liability policy.
- Reinstatement premiums are waived.
- Premiums are subject to experience or so-called "equity" rating.

FDIC Director Urges Ample Fidelity Cover

Too Many Banks Inade- quately Protected, Cook Tells Auditors

BALTIMORE—"Ample fidelity coverage" for bank employees and provision of "shock absorbers" for their benefit, such as group health, accident and life and group hospitalization, were urged by H. E. Cook, a director of Federal Deposit Insurance Corp., in addressing the convention of National Assn. of Bank Auditors & Comptrollers here.

During the 10 years following 1935, Mr. Cook said, more than 1,200 irregularities were reported to prosecuting authorities by FDIC, which did not include irregularities found and reported by examiners of other agencies.

Principal Safeguards

"The two principal safeguards against these speculations are, of course, ample fidelity coverage and a well organized audit control designed to discourage employees from taking chances," said Mr. Cook.

FDIC is empowered by law to require all insured banks to maintain adequate fidelity coverage, he observed. FDIC has the right, in the case of a bank which refuses to provide adequate coverage, to purchase such coverage for the bank and to add its cost to the bank's FDIC assessment. "We have preferred so far, however, not to resort to this expedient but rather to rely upon the cooperative efforts of all state and federal bank supervisory authorities to sell banks on the wisdom of full insurance protection against all types of losses," he declared. "The results of these efforts during the past 10 years have been gratifying, but there are too many banks that are carrying inadequate surety coverage, even at the reasonable rates prevailing today."

Shock Absorbers

"To further minimize the effects of 'human frailty' I believe that every bank should provide its employees with 'shock absorbers' against the more common financial emergencies that are likely to overtake salaried people. I am thinking of such things as group health, accident and life insurance and group hospitalization for employees and their families. This sort of protection can be carried at very reasonable rates, especially when its cost is shared by the bank and its employees, and its use would certainly remove one of the most common causes for stealing.

"I believe also in the establishment of retirement plans for bank employees. There are very few banks where such plans can not be financed without too great a drain on earnings. Equitable promotion plans are another safeguard against rebellious wrong-doing. If every employee feels that his chances of promotion are just as good as those of his co-workers, he will have much more incentive to make the bank his lifework and much less temptation to steal what he thinks he never will be able to get rightfully.

"In this connection, I recommend to your attention the booklet Safeguards Against Human Frailty, written by Vance Sailor, chief of the corporation's division of examination. Col. Sailor cites

(CONTINUED ON PAGE 20)

Preferred Gets \$2 Million More from RFC

Loan, Previously Authorized, Supplements Original \$3 Million

Preferred Accident announces the completion of arrangements with Reconstruction Finance Corp. for the disbursement of a loan of \$2 million which was authorized several months ago. This will add that amount to the policyholders' surplus to provide increased underwriting capacity. The program was approved by the directors of Preferred and will be submitted to stockholders for approval Nov. 25, 1947.

The new funds will supplement an original \$3 million advance provided by RFC in May of this year and will be used to provide the company with additional surplus commensurate with the volume of desirable business now available to it. Superintendent Dineen of New York has indicated his approval of the transaction. In a letter addressed to John D. Goodloe, chairman of RFC, Mr. Dineen stated: "In my opinion a suitable increase in the surplus funds of the company will materially improve its ability to show profits, and correspondingly improve its ability to repay the entire RFC indebtedness."

Surplus \$3½ Million

As of Aug. 31, 1947 after giving effect to the new money, the company reports assets of \$17,080,010, and surplus to policyholders of \$3,596,094 including capital of \$1,230,000.

President Floyd Dull said since the present management took over March 18 a reorganization has taken place through changes in the executive, agency and operating departments at the home office and throughout the field, and a satisfactory reduction in operating expense has been attained. The present plans contemplate restoring Preferred to the position which it formerly held in the A. & H. field. The previously unfavorable earnings trend has been reversed as is evidenced by the fact that surplus to policyholders has increased since March 31 upwards of \$300,000. Following an exhaustive analysis, all claim and other reserves have been completely re-evaluated.

The transaction will be consummated by an adjustment of capital stock, under which the present cumulative preferred stock of 1 million shares, par value \$1 and liquidating preference \$3, will be reclassified as 1 million shares, par value \$1 and liquidating preference \$5. The dividend rate per share will be advanced from 12c to 20c. The interest rate on the RFC loan will remain at 3½%.

Details of Transaction

The additional \$2 million will be advanced by RFC to Preferred-Protective Corp., which will transfer the proceeds to Preferred Accident in return for the reclassified preferred stock, except for \$425,000 to be held in escrow for payment of both accumulated and future interest through Dec. 31, 1949 on the RFC loan. Preferred Accident will gain full credit for the \$425,000 placed in escrow except as to interest already accrued on the loans, \$33,250 to Aug. 31, 1947 through the resultant increase in value of Preferred-Protective Corp., which is wholly owned by the insurance company. Six hundred thousand shares of the preferred stock will remain pledged with RFC as collateral to the original loan of \$3 million and the balance will be collateral for the new loan.

Travelers Wins Countersignature Issue in Idaho

The Idaho countersignature litigation that attracted so much attention because of its pertinence to the S.E.U.A. decision, has now been decided by the Idaho federal court adversely to the claimant. The case is Broderick, Adm., vs. Travelers, et al.

Shortly after the S.E.U.A. decision was given, the Idaho court held that the countersignature law was unconstitutional in the light of the S.E.U.A. decision. However, the court of appeals held otherwise and decided that the statute was valid and the case was returned to the Idaho court for further proceedings.

Eugene H. Ware was a Travelers agent at Coeur d'Alene, Ida. He died after the proceedings were instituted. Ware had a separate arrangement with Travelers to act as countersigning agent for an agreed compensation of \$5 per month. Under a 1939 Idaho law amendment it was specified that the countersigning agent shall "receive the full commission when the premium is paid, except when said policy is made, written or placed by a licensed broker, in which event the countersigning agent shall receive a commission of not less than 5% of the premium paid: . . ."

It was contended that Ware was entitled to the full commission on any policies that he countersigned.

War Projects Rating Plan

The controversy revolved about commissions on business written under the war projects rating plan, the earned premiums totaling \$246,124.

The proposals for these policies were received at the home office of Travelers, were written there and sent to Ware for countersigning. The plaintiff asked for 10% of the premiums paid.

The court said there is nothing to indicate that Ware was to receive any special commission for countersigning the so-called home office policies. There is no contract between Ware and Travelers for a stipulated commission. The legislature has not fixed any mandatory commission that must be paid to Idaho agents in placing or signing foreign companies' policies. The risk was located within Idaho and hence the court said that the contract was written and placed within the state, hence under the law it was necessary for Travelers to pay the full commission when the premiums were paid, to the Idaho agent.

No commission was paid in this case so there is no basis upon which to arrive at the amount that would be due Ware except the statement that 10% was generally considered the commission to be paid. However, under the Idaho law there is nothing to prevent an agent from contracting on the amount of commission that he sees fit to receive. The insurance company is prohibited, however, from paying any commission outside of the state. There was nothing unlawful in Ware contracting to countersign the policies at \$5 per month.

Purpose of Plan

In a proper action, the courts declared, it might be said that the war rating plan was not permissible under the statute of Idaho. "It seems without question that the plan was set up with the thought in mind of avoiding the payment of commission, but regardless of that fact the court is unable after reading the statute into and making it a part of the contract, which provides that he shall have the full commission when the premium is paid, to determine what, if any, commission could be allowed when no commission is agreed upon and no commission is paid."

The court found that there was no commission paid outside of Idaho and there is no right to recover for the countersigning service by Ware.

Poll Shows Leaders' Ideas of Top A.&H. Problems

Knight Tells Needs, Prospects of Business at Baltimore Sales Congress

Declaring that "no business can long endure unless it fills a need, and no business can prosper unless its methods of filling that need meet with the general approbation of those it attempts to serve," Gilbert H. Knight, Federal Life & Casualty, Cleveland, president National Assn. of Accident & Health Underwriters, told the joint sales congress held by the Baltimore, Philadelphia and Washington associations at Baltimore of what the National association has done and expects to do along that line.



G. H. Knight

In outlining the problems which confront the accident and health business today, Mr. Knight cited the opinions of the leaders in the business as brought out in their replies to a questionnaire which was sent out by the disability insurance joint committee. He predicted that that committee, which consists of three members from the National association and three from Health & Accident Underwriters Conference, plus the executive secretary of the National and managing director of the conference, thus constituting really a liaison committee between home office and field, will develop into the most important committee in the industry, providing information and exchange of views and viewpoints that will be of ever increasing value.

Public Relations Put First

The committee's questionnaire, which went to 700 agents, general agents and managers, home office officials, presidents of companies and state insurance departments, asked them to set forth what each thought were the three greatest problems confronting the business and what, if any, would be their solutions. In reviewing the results of this poll, Mr. Knight also mentioned what the National association has done and can do to help solve any particular problems presented.

Of those replying to the questionnaire, 33.6% set up as the most urgent need a real public relations program. Mr. Knight expressed his thorough agreement with this, stating it is evident that the majority of the public has a very poor conception of the accident and health business. "Many of these have fixed and erroneous ideas that, unless quickly changed, will prove detrimental to that rapid expansion of our services which we all hope for."

Advertising Campaign Favored

Of those urging that a public relations job be started, 75% recommended that a national institute of accident and health insurance be set up on a plan similar to that of the Institute of Life Insurance, with a national advertising campaign in newspapers and magazines. To show the need for this, Mr. Knight mentioned the fact that a few months ago, a CIO official made front page newspaper headlines by declaring in Detroit that holders of accident and health policies in Michigan and Illinois were being "gypped" because insurance companies tried to get out of paying every claim. "This sweeping assertion was carried by press agencies and made nearly every newspaper in the country, thereby doing incalculable harm to our business."

A survey of accident and health claim (CONTINUED ON PAGE 20)

Stumpf, Stoughton, Walker, Fuqua Add Ideas at Tri-City Meet

The first joint sales congress of the Baltimore, Philadelphia and Washington Assns. of Accident & Health Underwriters attracted 125 members and guests for a program of excellent sales ideas and information. Joseph L. Kowins, secretary of the Baltimore association was in general charge, and Harry N. Stadler, Travelers, presided. Mr. Stadler demonstrated great ability as convention leader and kept the program moving at a fast tempo.

Charles B. Stumpf, Madison, Wis., second vice-president National association, gave a demonstration of his sales technique, using a chart called the "House of Life." Mr. Stumpf showed that an average home has chances of fire during the year of only one out of 1,200; an automobile accident will occur one in 250 cases, and life insurance will be called on in only one out of 150. However, a man's chance of disability during the year are one out of eight. He pointed out graphically that a person paying for fire, automobile and life insurance, together with food, clothing and incidentals must insure his income. The above items are paid out of income and must continue to be paid, thus income is the most important item and is generally the least insured.

Urges Smaller Group Sales

J. E. Stoughton, home office group department representative of State Mutual Life, stated that not enough group insurance is relegated to A. & H. and group men know practically nothing about disability coverage. Mr. Stoughton remarked that there are many small organizations that can use group A. & H., and they are easier and better prospects than the jumbo cases. They can be handled in the course of any ordinary day's work.

The group A. & H. field has been largely ignored, Mr. Stoughton declared. In many group cases the weekly disability benefit is so small that it becomes an excellent market for additional coverage. "Some coverages are years old and yield only \$5 to \$10 a week, or hospitalization at \$1 to \$3 per day. Blue Cross, which in 12 years has secured some 25 million members, does not do a complete job, he said, yet people buy it voluntarily because they are not solicited otherwise."

D. S. WALKER'S TALK

The accident and health business has grown so quickly that it sometimes fails to realize it is the leading citizen in the business of insurance. A. & H. agents and companies do not have the amount of public acceptance they are entitled to and deserve. D. S. Walker, Philadelphia manager of Mutual Benefit H. & A., said in his talk.

Mr. Walker commented that accident and health is a personal line which differs even from life insurance where there is not one claim to pay and supervisory responsibility is largely to insure solvency. On property lines such as fire there is one claim per year for each 200 policies in force. A. & H. pays one claim for each 20 policies, and has 20 million policyholders. An insurance department today, therefore, hears more about the accident and health business, for good or bad, from policyholders than it does about all other lines combined, he said.

The agent, as the point of contact with the public, is responsible for 90% of complaints to the departments, Mr. Stoughton declared. He is the one who writes

(CONTINUED ON PAGE 20)



How To Be The Most Popular Man In Town

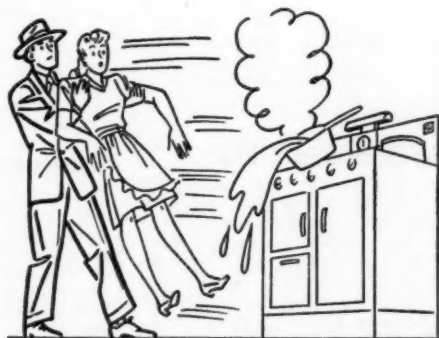


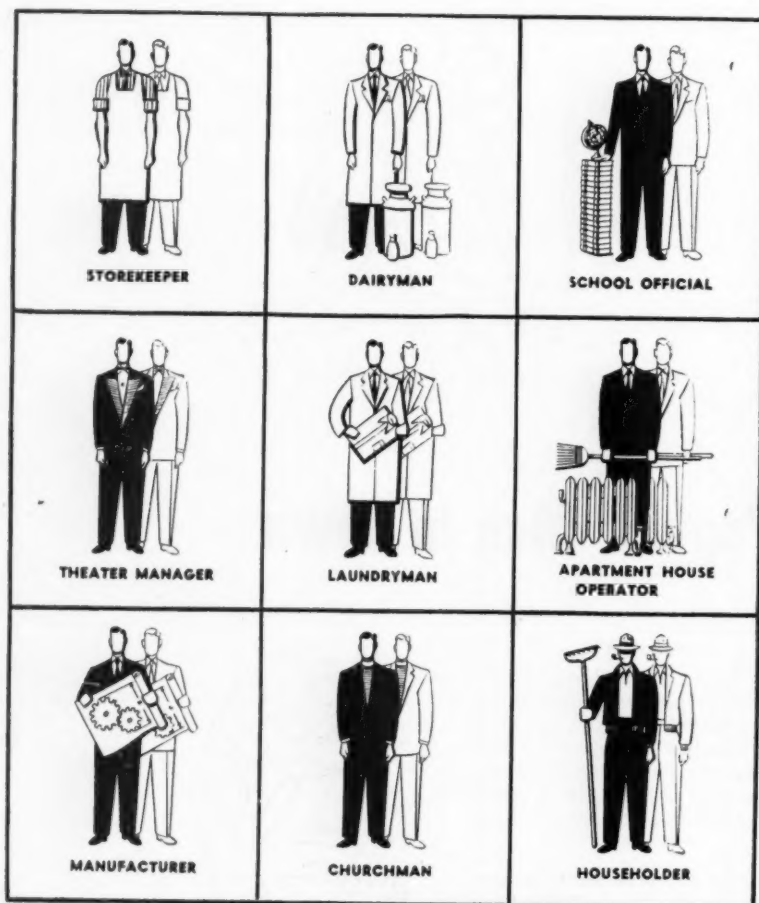
If you could promise people to be right on the spot just as they were about to be involved in an accident, if you could promise to catch them when they fell or tripped, if you would snatch the roller skate from the step just as they were about to step on it, or divert the keen edge of the axe when it slipped, or pull them away from the stove just as the scalding water spilled, if you could do all that you'd be the most popular man in town.

Unfortunately, you can't be in all those places at one time. You can't do much about the physical suffering that accompanies most accidents either. You can, however, prevent a lot of financial worry by seeing to it that all your clients and prospects are amply protected against financial loss due to an accident through ownership of a Travelers Accident Policy.



THE TRAVELERS INSURANCE COMPANY
HARTFORD, CONNECTICUT





Are You Missing a Bet with Present Clients?

You're already serving their needs for fire insurance or for other types of coverage. But your possibilities for future business are not limited to these lines.

Most of your present clients need boiler insurance. Storekeepers, church and school officials, apartment house operators and others have boilers and tanks for heating and for hot water. Manufacturers, laundrymen and dairymen operate power equipment. All these—and many others you can think of—need the protection provided by Hartford Steam Boiler insurance and the periodic inspections that go with it.

You don't have to be a technical expert to sell boiler and machinery protection. The Special Agent of Hartford Steam Boiler has the necessary background. It's part of his job to help you sell and service this type of coverage.

Boiler and machinery insurance offers you substantial extra volume. Why not ask your Hartford Steam Boiler Special Agent to work with you on it?



The Hartford Steam Boiler Inspection and Insurance Company
HARTFORD, CONNECTICUT

FOR POWER-PLANT INSURANCE, IT PAYS TO CHOOSE THE LEADER

\$75,000 Hull Sunk After Sea Rescue

NEW YORK — The lawyer for American International Airways, whose flying boat, "Bermuda Queen" landed in the sea 800 miles from the coast of Newfoundland with 69 persons aboard, said that the hull was insured by Rhode Island for \$75,000. Pending further investigation he did not disclose where the liability coverage had been placed. American Fidelity & Casualty is the customary liability carrier when hull has been placed with Rhode Island.

The airline has since been ordered to suspend all operations. It had six other craft engaged in trans-Atlantic charter operation.

The airline purchased the plane as war surplus for \$100,000. It formerly belonged to Pan-American but was sold and then had a varied career at one time belonging to an airline which went bankrupt. When new the list price of the plane was about \$600,000.

Agent Training Provisions in California Disused

The Accident & Health Managers Club of Los Angeles heard John Ford, Pacific Mutual Life, discuss the changes in the licensing of agents and brokers as the result of the law enacted by the last legislature, with particular attention to the requirements that as of July, 1948, companies must have a training course approved and train prospective agents.

He suggested that the companies consult with the insurance department and ascertain what it might consider necessary for inclusion in a basic course. He also suggested that the companies get together and adopt a single course of instruction of such a scope as to meet the approval of the department.

President Ray Scofield was authorized to give some study to the matter of having a representative of the club on a committee of companies that will work out a solution of the problem.

Krogman Opens Agency

H. W. Krogman, who recently retired as a member of the firm of Engelhard-Krogman & Co., class 1 agency of Chicago, soon will open his own metropolitan supervising agency there. He is establishing his office in 1927 Insurance Exchange. Mr. Krogman for many years has been a class 1 agent and will continue as such, with another designating company which he will announce soon. It is understood he has secured representation for a number of well known stock casualty, fire and marine companies.

Knock Out Tenn. Penalty Law

NASHVILLE—The already unsatisfactory surety bonding situation in Tennessee has been further complicated by a decision of the state supreme court in a case from Sullivan county which held unconstitutional an act fixing civil and criminal penalties for county officials who expend more money in the discharge of their official duties than is provided in the budget. The law was passed in 1935.

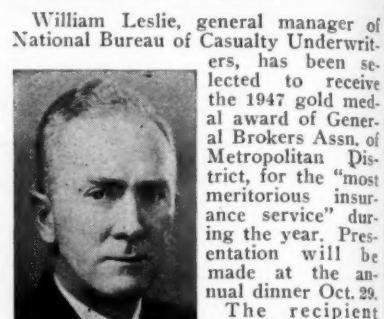
Two Big Bonds in Okla.

Contract was let to J. A. Raines of Muskogee, Okla., for bridge structure on relocation State Highway 51 at Fort Gibson by the United States engineers for \$725,525. The Oklahoma City office of National Surety arranged the bond.

It also wrote a bond for the J. & J. Construction Co. of Oklahoma City, low bidder for construction of a transmission line for Parker dam in Arizona for the bureau of reclamation. The job involves \$1,498,000.

William G. Downs, special agent Royal-Liverpool group, spoke on fire insurance trends at the Oct. 14 meeting of the Sioux City Insurance Women's Assn. Nine new members were admitted.

Leslie Awarded Brokers' Medal



William Leslie

of all living recipients of past awards.

Chairman of the committee was Frank A. Christensen, president of America For, who received the award in 1945. Other members are Edward L. Hardy, Samuel R. Feller, Leonard L. Saunders, Joseph J. Magrath, Louis H. Pink, Edward C. Stone, and Thomas I. Parkinson.

Rieke Resigns and Republic's Chicago Branch Closing

E. H. Rieke, Illinois state manager of Republic Indemnity, Chicago, is resigning as of Oct. 31 and the branch is being closed.

The Kelso & Sons Agency of Chicago has been appointed general agent for Illinois and will service the business. Mr. Rieke plans to take a vacation of two or three weeks in Florida, leaving about Nov. 1. He has not yet formulated his plans for the future.

Boswell Opens Service

Charles C. Boswell operating as the Utility Service Co., Inc., has established new offices in room A-1330 Insurance Exchange, Chicago. This office specializes in adjustments and investigations for insurance companies and will handle pre-trial work for attorneys representing companies in insurance litigation.

Mr. Boswell studied law at Detroit College of Law and is a graduate of University of Michigan. Following graduation he organized the Boswell Bros. motor freight service in Detroit, which they operated from 1932 to 1942. He then entered the agency end of the insurance business at Detroit, specializing in bus and truck line coverages. In 1945 he moved to Albuquerque, N. M., conducting his insurance business from that point.

Reelect at Lincoln

LINCOLN, NEB.—W. James Quinn, Woodmen Accident was reelected president of the Lincoln Assn. of Accident & Health Underwriters. Roy Watson is vice-president; C. K. Lowe, secretary; Mrs. Claire Palmer, treasurer. Insurance Director Stone was the speaker.

W. E. Reinsh, Massachusetts Bonding, Omaha, a member of the executive board of the National Assn, was a special guest.

Prevention Week Record

The National Board believes that more people were reached by fire prevention week activities this year than at any time since the board inaugurated the program 25 years ago. More than 6,000 requests for literature were fulfilled by the board. This year's campaign was aimed at leaving a lasting impression of fire prevention on the public consciousness. Press, radio, photograph, newsreel, television, skywriting, were used during the campaign with all media furnishing outstanding cooperation.

Demand for literature was so great that the board is preparing to reprint many of its pamphlets. One entitled, "Stop Fires—Save Jobs," ran through its first printing of 100,000 copies.

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Hartford new claim building, I Petersen. Mr. Pete Ohio State both acad serving at for several

CHANGES IN CASUALTY FIELD

Riley Bond Head of N. E. Casualty

New England Casualty has appointed Howard G. Riley as superintendent of the fidelity and surety bond department at the head office.

Mr. Riley is a graduate of both Columbia College and Columbia law school, and is a member of the bar of New York. He started in the surety business in 1933 with Columbia Casualty, handling claims and underwriting. In 1938 he went with Standard Surety & Casualty as assistant manager of its fidelity and surety department. In 1941 he joined Indemnity of North America as assistant superintendent of the surety department at Philadelphia.

R. G. Lett Casualty Head of Kolob Agency, Salt Lake

SALT LAKE CITY—Roland G. Lett has resigned his connection with the Tracy Insurance Agency to become manager of the casualty department of Kolob Corp. Mr. Lett has been in the agency business here about two years. Before the war he was with Ocean Accident and Indemnity in underwriting and field work at Chicago. He and Frank Salisbury, manager of Kolob Corp. are leaving shortly on an eastern trip.



R. G. Lett

C. N. Nutter Is Atlanta Head of Home Indemnity

Home Indemnity has promoted Special Agent Charles N. Nutter to manager at Atlanta. He joined the company in 1938, and worked at the home office four years. He served in the navy and was discharged with the rank of lieutenant. He returned to the company in January, 1946, and after two months in the home office was transferred to Atlanta as an underwriter. In October, 1946, he was promoted to special agent.

R. B. Notestein New Orleans Lumbermens Mutual Chief

Robert B. Notestein has been appointed New Orleans manager for Lumbermens Mutual Casualty.

Prior to joining the Kemper group earlier this year, Mr. Notestein was with the Travelers companies for 28 years, the last seven as manager at Milwaukee.

He is a native of Wooster, O., and graduated from Wooster College in 1918.

Hynes Now President of Employers Mutual Casualty

J. W. Gunn has been elected chairman of Employers Mutual Casualty of Des Moines. He will continue as treasurer. John W. Hynes was elected president and W. Z. Proctor, who is also general counsel, becomes secretary. M. J. Wilkinson continues as vice-president.

Mr. Gunn has been president and Mr. Hynes vice-president and secretary.

Opens Dayton Claim Unit

Hartford Accident has established a new claim office in the Mutual Home building, Dayton, in charge of Rollin L. Petersen.

Mr. Petersen graduated in 1939 from Ohio State University where he took both academic and law courses. After serving at Hartford's Cleveland office for several years he was placed in charge

of the claim office at Hagerstown, Md., and last March was transferred to Cincinnati.

Promote E. J. Gillott

National Bureau of Casualty Underwriters has promoted Edward J. Gillott to assistant manager of the burglary and glass division. He started in the New York Plate Glass Service Bureau in 1935. In 1939, he was transferred to

the burglary and glass division and has been there since then except for his period of army service in which he attained the rank of captain.

Apostolo Directs Surveys

Lawrence Apostolo, who has been connected with the agency department of Aetna Casualty in Chicago for about 25 years, has been appointed superintendent of the analysis and survey department there.

W. E. Reynolds, Jr., has been transferred to the western department from

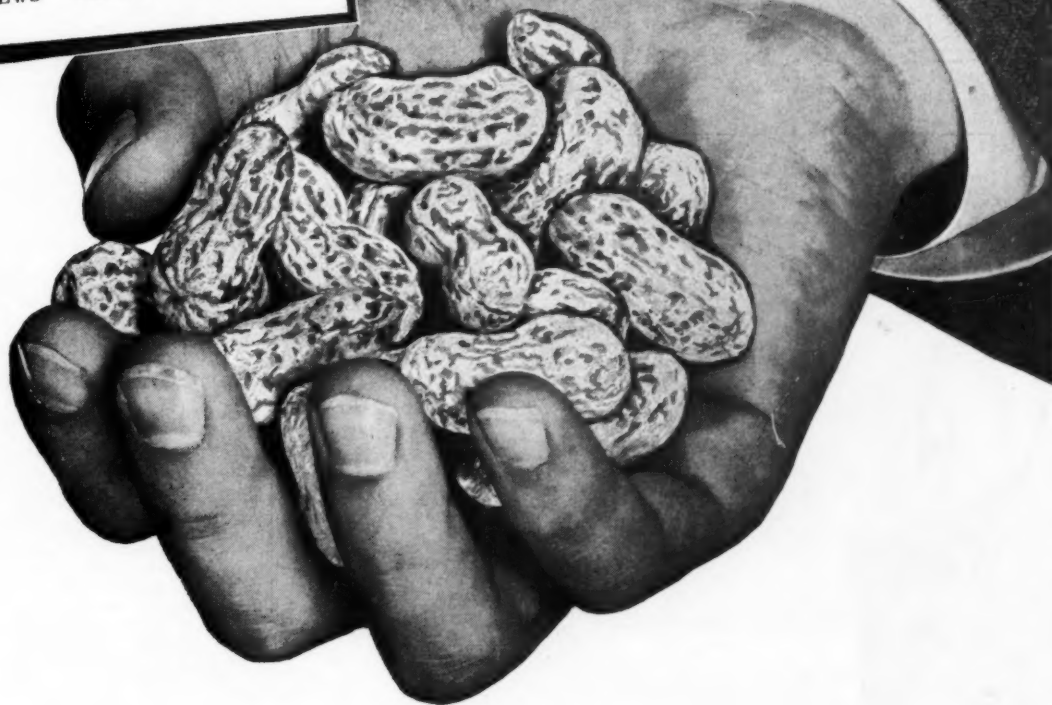
the home office by Aetna Casualty to assist Mr. Apostolo in the Aetna plan department. He has been connected with the home office for about eight years except for service as a captain in the technical branch of the A.A.F., spending some time in the near east.

Sterns in Indiana Field

H. J. Wilson, Indianapolis manager of Massachusetts Bonding, has appointed E. O. Sterns as field representative. He has been with Aetna Casualty nine years, traveling Indiana and Kentucky. He was in the navy.

For U. S. F. & G. Agents

This advertisement appears in
BUSINESS WEEK
NEWSWEEK
U. S. NEWS WALL STREET JOURNAL



Embezzlement losses aren't "peanuts"!

Embezzlement losses, to use the vigorous idiom of America, "aren't just peanuts." As witness U.S.F. & G. case No. 181333, with losses totaling \$271,777.81. Or No. 4-MF-2, in which a shipping clerk appropriated merchandise worth \$34,000. With prices high and more money in circulation, losses due to employee dishonesty are rising sharply.

Yesterday's Fidelity Bonds may not provide adequate coverage today. Your company may have a sizeable deficit to make up in event of major embezzlement losses. Why not review your bonding program in the light of current conditions? The U.S.F. & G. agent in your community will be glad to analyze your program, without obligation. Consult him today.

"Consult your Insurance Agent or Broker

as you would your Doctor or Lawyer"



U. S. F. & G.

UNITED STATES
FIDELITY & GUARANTY CO.
HOME OFFICE: BALTIMORE 3, MD.

FIDELITY & GUARANTY INSURANCE CORP., BALTIMORE
FIDELITY INSURANCE CO. OF CANADA, TORONTO

Colonial Promotes Three

LOS ANGELES—Edward J. Junker, vice-president of Colonial, and manager of its San Francisco branch, has been transferred to the home office here, and promoted to executive vice-president and general manager.

Vice-president C. C. Johnny, who has been manager at Fresno, Cal., has been transferred to San Francisco to succeed Mr. Junker.

Harry McIntosh, with the company for a number of years, has been promoted to manager at Fresno.

N. J. "Comp" Rates Cut

Compensation Rating & Inspection Bureau of New Jersey has adopted a new rate program, effective Dec. 31 that represents an average reduction of 7.7%. There is a 10% reduction in the specific rate elements for silicosis and asbestosis applicable to certain occupations.

Helena Office Opened

Idaho Compensation of Coeur D'Alene has opened an office at Helena, Mont., with C. M. Zornes as manager.

Newark Fire has withdrawn from Alberta.

ACCIDENT AND HEALTH

Hold Utah Sales Congress at Salt Lake City Nov. 10

SALT LAKE CITY—At the October meeting of the Utah Accident & Health Club, it was decided on recommendation of F. Edward Walker, chairman of the arrangements committee, to hold the annual sales congress here Nov. 10. Speakers will include Gilbert H. Knight, president National association; E. F. Gregory, Denver, first vice-president; R. J. Costigan, Kansas City, former national president, and O. J. Breidenbaugh, executive secretary.

A. Harry Good, chairman of the educational committee, reported that another A. & H. course will be given at the University of Utah next February, the exact date to be determined on consultation with Mr. Breidenbaugh.

Deputy Commissioner R. W. Garff discussed the new law, requiring all agents to take an examination. The club declared it will cooperate with the insurance department to the fullest extent. To work out the details of such an examination for A. & H. men, President Persyl Richardson named F. Edward

Walker, Mutual Benefit H. & A.; Walter M. Jones, Business Men's Assurance; D. Clark Stephens, Security Life & Accident, and John B. Allein, Equitable Life & Casualty, as a committee to work with a similar committee of the life underwriters and Mr. Garff.

Anderson Conducts Quiz Session at San Antonio

The San Antonio Accident & Health Assn. held a breakfast meeting with A. D. Anderson, Occidental Life agency supervisor for Oklahoma and Texas, in charge of a quiz program. Before presenting his 20 questions, Mr. Anderson said the greatest fallacy about selling accident and sickness coverage is that the approach must be elaborate and that a subterfuge is helpful. He emphasized that a simple, direct approach is the most desirable and the one that will sell accident and sickness protection best.

Mr. Anderson's 20 questions had to do with the conditions under which buyers of this coverage may collect and the ways in which benefits may be paid. He closed emphasizing the need for considering the fundamentals in selling accident and sickness insurance, stressing that people work with their hands to maintain a home and provide food and clothing and other essentials for their families and that when the agent sells the worker protection against loss of income, he is rendering the buyer a service and is not receiving a favor.

U. S. Life Brings Out New Series of Policies

United States Life has brought out what it has designated as its "quality series," which includes the "quality disability" policy, the "superior quality" accident policy and the "quality accident" policy.

The quality disability policy was designed primarily for business and professional men and provides lifetime accident indemnity and up to two years non-confining health benefits. The fact that the coverage is available only to those engaged in certain occupations, enables the company to give broader benefits. Besides providing weekly indemnity for total disability it provides benefits for intermediate and partial disability. Lump sum amounts are provided for accidental loss of life and other specified losses. The specified losses are elective and the insured may also elect to receive lump sum settlements for certain serious injuries, fractures and dislocations in lieu of weekly indemnity.

The contract provides medical indemnity for non-disabling injuries and contains hospital indemnity, nurses' fees and surgical benefits. Worldwide passenger aviation coverage on regularly scheduled airline routes and on aircraft operated by a licensed pilot in the United States and Canada is also given. The policy cannot be cancelled during the contract term.

The superior quality accident policy is available to business and professional men and women and provides lifetime accident indemnity for his or her occupation. However, since this contract is not available to those whose occupations depend upon the exclusive use of their hands and fingers, a companion policy, the quality accident policy was designed to give virtually the same kind of protection to these risks.

Announce Fla. Fall Meeting

The fall meeting of the Florida Assn. of Accident & Health Underwriters will be held at the Seminole Hotel, Jacksonville, Nov. 14-15. An attendance of more than 200 is expected.

Commissioner Larson and others from the insurance department will

participate in the meeting. Instructive talks and a sales congress are on the schedule, as well as entertainment. H. B. King, World, Miami, is state president.

American Progressive Health Brings Out Two New Policies

American Progressive Health is offering two new group policies. One provides coverage for athletic injury expense. The other is designed for employee groups.

The employee group plan provides indemnity for loss of time up to 52 weeks, accidental death or dismemberment, hospital expenses, dependent coverage, surgical expenses and doctor bills. The minimum group is 50 with at least 75% of eligible employees participating, unless the employer pays the total premium, in which case the minimum number drops to 25.

Loss of time indemnity is provided in three classes, on a flat basis for all employees, by occupation, or by salary. Hospital indemnity is provided for either 31 or 70 days with the payment of a flat fee per day for all employees, or by graduated amounts. The maximum is \$7.50.

The athletic policy is designed to cover school, amateur and semi-professional players. Coverage ranges from three months to a full year and takes in all sports, plus physical education. In each case a minimum number of players is required to be covered.

Blanket unallocated reimbursement is provided for medical, surgical, hospital, nursing, dental, ambulance, x-rays and surgical appliances expense. Provision has been made for \$5 and \$10 deductibles.

All members of a team or physical education group must be covered, but limited substitutions are allowed and players may be added on a pro rata premium basis. The policy can cover a



The Winning Combination

It takes team work to win football games . . . and team work, when it's the HAWKEYE-SECURITY type of team work, builds sales for Agents. The cooperation of Field Representatives with their Insurance know-how to solve agents problems runs up bigger profits on Agents scoreboards. The teamwork among the Underwriting, Claims and other departments pushes the ball toward pay dirt. Yes, HAWKEYE-SECURITY are good Companies to have working with you . . . helping you build your sales.

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DAVENPORT, IOWA



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Speed Up the Acceptance of Your Bond Risks by Keeping Anchor's "Field Counsellor" Cabinet at Your Elbow.

A simplified system for the preparation of Bond submissions—organizes the entire business for the Agent.

Application supply folders with indexed, manual-colored tabs carrying complete instructions for submission of risks; in addition, copy-righted factual information of an educational nature, in condensed form.

Anchoring Assures Smooth Selling Short Form Applications Simplified Rate Manual



ANCHOR CASUALTY CO.
ST. PAUL 1, MINN.

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single sport, any combination of sports or the entire student body. There is a reduction of premium rates for multiple sport coverage.

Tuberculosis Is Topic

The dinner meeting of the home office accident and health underwriters' round table of Chicago, originally scheduled for Oct. 21, is being held at the Bismarck Hotel, 6 p. m., Oct. 23.

The topic of the evening is tuberculosis and what to do about it insurance-wise. These questions will be discussed:

"How soon after recovery will you consider issuing health insurance subject to a rider?"

"In such cases would you use a general tuberculosis rider, a general lung rider, or a tuberculosis of the lungs rider?"

"How much time should elapse after recovery before issuing health insurance without a rider?"

Organize at Fond du Lac

FOND DU LAC, WIS.—In line with the plans of the newly organized Wisconsin Assn. of Accident & Health Underwriters to build a strong state organization and assist in the organization of local groups throughout the state, the Fond du Lac County Accident & Health Assn. was formed at a meeting here. Grant J. Nault, general agent Old Line Life, a director of the state association, was elected chairman of the executive committee, and James J. Barr, Time, president. Carl Brandt, First National Casualty, is vice-president; Arthur Wagner, Wisconsin National Life, secretary.

B.A.R.E. Audit Released

Benefit Assn. of Railway Employees, Chicago, at Dec. 31, 1946, had assets \$4,912,054 and unassigned funds \$2,135,539 according to the report of an examination that was conducted by Illinois, Pennsylvania, Alabama, Arkansas and Montana.

The examiners state that the cash through Consolidated Agency except is being currently invested in diversified securities. Adjustment and settlement of claims appear to have been effected in a prompt and equitable manner.

All business and renewals are secured through Consolidated Agency except business written in California, and life business written in Texas and Arkansas.

This agency bears all expenses of securing business and receives 17% of A. & H. premiums on railroad and individual policies; 15% of A. & H. premiums on industrial or group contracts; 40% of first year life premiums on individual contracts; not in excess of 7% of renewal life premiums on individual contracts; and a commission on group life contracts scaled according to size of risk from 8% to 2% and 2% of first year premium on group life. Four of the officers receive their compensation under the agency contract. A. & H. premiums earned during 1946 were \$8,651,860, losses incurred \$5,375,889, adjustment expenses incurred, \$135,698, underwriting expenses incurred \$2,613,219, gain from underwriting \$527,053.

B.A.R.E. just started writing life insurance in 1946 and by the end of the year it had \$20,198,822 life insurance in force. Of this amount \$19,799,500 was group.

Plain Dealers Praised

Plain Dealers' Mutual Casualty of Chicago at Dec. 31, 1946, had assets \$102,593 and surplus \$75,020 according to the report of an examination by the Illinois department. The examiners state that Plain Dealers is efficiently managed and has shown a favorable underwriting experience and that it equitably discharges its contractual obligations and affords its policyholders good treatment.

This company is closely identified with Central Life of Illinois. H. A. Pierce, who is general counsel of Central Life, is president of Plain Dealers.

Premiums earned in 1946 were \$97,538, losses incurred \$43,664, adjusting expenses \$4,004, underwriting expenses \$46,900, net gain from underwriting \$3,081.

Announce Fla. Fall Meeting

The fall meeting of the Florida Assn. of Accident & Health Underwriters will be held at the Seminole Hotel, Jacksonville, Nov. 14-15. An attendance of more than 200 is expected.

Commissioner Larson and others from the insurance department will

speak. Instructive talks and a sales congress are on the schedule, as well as entertainment. H. B. King, World, Miami, is state president.

Omaha Association Outing

The Omaha Assn. of Accident & Health Underwriters is staging an unusual affair in the form of an all-day outing Sunday, Nov. 2, on the ranch of Miss Viola Hamilton, Central Catholic Casualty, association vice-president, near Petersburg, Neb. A pheasant dinner will be served, and if the supply is low,

it will be supplemented with good old country fried chicken, with all the trimmings.

Invitations have been extended to National association officials and other leaders in the business, and a large attendance is expected.

New K. C. Organization

Home Office Underwriters Club of Kansas City has been organized by members of the underwriting departments of insurance companies there. About 21 representing B.M.A., Kansas

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BURGLARY, AND OTHER NEEDED
FORMS OF INSURANCE

FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

City Life, Pyramid Life, Postal Life & Casualty, National Protective, Old American, National Fidelity, and Employers Reinsurance attended the first meeting.

Jack D. Horton, reinsurance underwriter of B.M.A., was elected president; Mrs. B. B. Willard, Kansas City Life, vice-president, and Miss Margaret Mercer, assistant secretary Postal L. & C., secretary.

To Hear Legislative Review

The Oklahoma Accident & Health Assn. at its first fall meeting Oct. 27 will hear Ralph W. Russell, legal adviser state insurance board, discuss action of the 1947 legislature as it affected accident and health business. A review of the national convention will be given by Olin Stephens, North American Accident.

Coburn with Lord Co.

R. R. Coburn, formerly group district sales manager for Prudential at Nashville, has been appointed group manager for life, health, accident, hospital, surgical and medical reimbursement coverages by the W. E. Lord Co., Cincinnati general agent of Continental Assurance. He attended University of Cincinnati, entering the business with Prudential three years ago. He was associate district sales manager at Cincinnati before becoming sales manager.

To Arrange A. & H. Courses

The education committee of National Assn. of Accident & Health Underwriters will meet at the Purdue Union Building, Lafayette, Ind., Oct. 30.

The meeting has been called to complete arrangements for the schedule of A. & H. classes to be offered at the universities throughout the country during the next year.

Reserve Life of Dallas has been admitted to Ohio.

Stumpf, Stoughton, Fuqua, Walker Present Ideas

(CONTINUED FROM PAGE 20)

the business, makes the promises and services the policy.

The agent knows the need of selling himself, his policy and his company, and with the reputation of the business in his hands, he can well afford to take a few minutes longer to sell his industry the place it fills in community life.

Mr. Walker said that he has always been puzzled by the fact that it is almost impossible to get an agent to spend any of his own money to help promote his own business. Any successful business, he said, is a combination of effort, intelligence and capital. Most agents assume they must spend the first two but refuse to believe they will be better off if they mix in a little cash.

He said that no matter how a man operates, if he would set aside 10% of his earnings as a working budget, he could find a way to spend it intelligently to further his own methods.

Advantage of Renewals

The agent's big advantage is that he is paid on a renewal basis. Mr. Walker remarked that if he would lay out a promotional campaign that cost \$200, which resulted in \$2,000 in new premiums, he would get a return on his money that is available nowhere else.

Mr. Walker said in his agency he doesn't hire an agent unless he agrees to a method similar to that. If necessary, he is advanced the money as a charge to his account and he is committed to a promotional plan which the agency lays out for him.

"This is the only kind of agency financing that we believe in, and it works," he declared. "Most of our older agents have practically given us power of attorney to decide how much and in what manner their promotional money should be spent in their territory."

An interesting talk on the perspective

of the accident and health business was given by Ivan Fuqua, manager Fuqua agency, Washington. Mr. Fuqua warned that the business must clean up its own home from within before it is done from the outside.

Another tri-city congress will be held next year in either Washington or Philadelphia.

Knight Is Headliner at Baltimore Congress

(CONTINUED FROM PAGE 20)

payments made through the insurance departments of the two states showed that 99.9% of claims were adjusted without any complaint whatever, but this fact was published only in the insurance magazines, not accessible to or read by prospects, "while millions of American readers read the wild charges of the CIO radical."

The broadening of policy coverage and the elimination of technical language and narrow restrictions in policies was urged by a large percentage of those replying to the questionnaire, being mentioned by home office officials in greater numbers than any other suggestions. This has long had the support of the National association, and he said there has been a great improvement in this respect in the last few years, but it must be remembered that there are only 100 cents in a dollar, and the cost must be kept down so good protection can be purchased by low income groups.

In 21% of the replies, it was suggested that the greatest need of the industry is better training for agents. Significantly, 33% of the general agents, who probably are in the best position to know what lack of proper training means, strongly urged education as the most vital necessity. "We cannot attract and keep accident and health salesmen unless they can make a good living out of the business, and the art of selling is not easy—it must be taught," he said. "The accident and health salesman must not only know exactly what he is selling, but he must know how to vividly present his ideas—he must know how to convince and secure action." Mr. Knight reviewed the work done along this line in the Purdue course, which also has been given at a number of other universities, and said that agents' training also is provided through the sales congresses sponsored by the National association and held in all parts of the country, and the monthly sales

meetings of local associations.

O. J. Breidenbaugh, National association executive secretary, emphasized the training angle. He declared that today the greatest possibilities for increased production of accident and health business lie in a broadened vision of the tremendous opportunities that the business offers, and that it takes training to broaden the vision. He defined training as "the medium by which we bring the benefits of years of past experience into a capsule form that can be administered quickly to the new man, with the result that he is able to profit from those experiences as he starts on his career."

FDIC Director Jogs Bankers on Fidelity Cover

(CONTINUED FROM PAGE 19)

book, chapter and verse on some of the cases that have caused the corporation financial outlay during recent years and suggests remedies that you, as well as we, should urge upon the banks that have dealings with you and that come to you for advice.

"Your association has done admirable and extremely valuable work in setting up standards of internal audit control for small banks that cannot afford a complete auditing department. You may be sure that we appreciate your efforts and that we shall do everything we can to help you spread the gospel."

"In addition we must urge that fidelity and other insurance be provided in amounts sufficient to protect banks against all insurable hazards. In this connection, the fair coverage recommended by the insurance and protective committee of the American Bankers Assn. will be our goal."

Buyers Meeting Panel

The insurance coverage needed for a hypothetical factory will be one of the features of the insurance section of American Managements Assn. convention at Chicago Nov. 18. On the panel will be H. L. Hubbell, Westinghouse Electric, Pittsburgh, chairman; F. V. Rudd, Marsh & McLennan, Detroit; Felix Hargrett, Home; R. D. Sullivan, Marine Office of America, Chicago; W. R. White, Lumbermen's Mutual Casualty, Chicago, and E. T. Rogers, Liberty Mutual, Chicago.

Council Bows Out

NEW YORK—The governing committee of National Council on Compensation Insurance has voted not to qualify as the compensation rating bureau in Illinois. The council will, however, qualify as an advisory organization and furnish its carriers with advisory rates, forms, etc. This leaves the way open for National Bureau of Casualty Underwriters to qualify as the compensation rating bureau in that state.

Hall in Phoenix Claim Post

Allen F. Hall has been appointed automobile and indemnity claims adjuster for Fireman's Fund group at Phoenix, Ariz. He formerly was with the claims department of an eastern company at Indianapolis.

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2833 John R St., Detroit**

PERSONALS

Frank Price, assistant claims manager of Guarantee of Los Angeles, sustained a broken leg and will be absent from his desk for some weeks.

H. A. McKenna, Chicago manager of Phoenix of London group, underwent an operation at St. Luke's Hospital there and is making a satisfactory recovery.

En route to Boston, Viscount and Lady Knollys were among the arrivals from London when the Queen Elizabeth docked at New York Oct. 16. They were accompanied by Ronald Shaw Kennedy.

As managing director of Employers Liability, Lord Knollys is conferring at Boston with Edward A. Lerner, new U. S. manager and attorney. A number of other business conferences and dinners are scheduled during Lord Knollys' visit there.

Lord Knollys, who was managing director of Employers Liability between 1933 and 1941, was reappointed a director on the general board at London and managing director of the corporation this summer. Previous to his recent reappointment, he had been chairman of British Overseas Airways Corp. since 1943. During the last war he served as governor and commander-in-chief of Bermuda. In the first war he served with the 16th London regiment and R.A.F., where he received the distinguished flying cross.

Fire Via

A special on an increased preferred stock. Subject to the 75,000 shares issued and share to a large investors the private stock.

Increase C

At the same time the additional common stock standing to be anticipated will be pre stock and t

Insuranc Address

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Firemen's to Raise 8½ Million Via Preferred, Common Route

A special meeting of stockholders of Firemen's has been called for Nov. 25 to vote on an increase in capitalization through authorizing 100,000 shares of new cumulative preferred stock of \$50 par value.

Subject to favorable action by stockholders, it is expected that from 60,000 to 75,000 shares of the new preferred will be issued and sold privately at \$100 per share to a limited number of institutional investors. Blyth & Co. will arrange the private sale of the new preferred stock.

Increase Common Capital

At the same time the company announced that it proposes to issue 120,462 additional shares of presently authorized common stock to bring the number outstanding to two million shares. It is anticipated that a registration statement will be prepared covering the common stock and that the stock will be offered

initially to stockholders of the company on a pro rata basis at a price to be determined at the time of offering. Blyth & Co. is expected to underwrite the offering.

The increase in capitalization is to improve the relationship of capital funds to the increased volume of premiums now being written by Firemen's and other members of the Loyalty group. The rate of increase in premium volume has been particularly pronounced during the last 18 months primarily due to the expansion in current value of properties insured, the great increase in new automobiles, and recent stepping up of automobile premium rates.

When the increased funds become available, approximately \$8½ million of new funds will be added to the working capital of the company.

Rhae to Kansas City

Home has transferred Special Agent E. E. Rhae of Hot Springs, Ark., to Kansas City where he will operate under the supervision of State Agent T. B. McCaffrey. Special Agent Park C. Chambliss of Kansas City has been promoted to associate state agent.

Maryland Names Rice

Maryland Casualty has named Charles W. Rice claim manager at Toronto. He formerly was claims manager of the fire and inland marine departments of Glens Falls.

Insurance Members Address Controllers

At the insurance session of the Controllers Institute of America, meeting at Chicago, Dewey Dawson, controller of Celina Mutual Casualty, created considerable interest with a talk in which he outlined his company's "measuring stick" method of forecasting actual earnings on a month to month basis. Mr. Dawson said that past experience of an insurance company, taken without regard to current consideration, makes premium rates today insufficient to meet today's losses. Rates are based on experience in 1945 and 1946.

Mr. Dawson said it is the duty of insurance company controller as well as the actuary and the underwriter to relate experience to rates, because it is only through better management that any improvement can be effected. Management without statistical guidance by the controller can do nothing to better the serious situation facing the insurance companies.

Reports on the number of miles traveled by automobiles in 1945 and 1946 as compared to this year, make it clear that the actual exposure now is far ahead of that anticipated by rating authorities. He said that the Celina Mutual method could be applied to any type of insurance business or any geographical subdivision.

Another speaker at the session was Rollin E. Ecke, treasurer of Farmers Insurance Exchange. Mr. Ecke treated exhaustively the capacity problems facing the industry today and said that the soundest proposal to right the situation is official recognition of a company's equity as a part of unearned premium reserve.

Sound Accounting

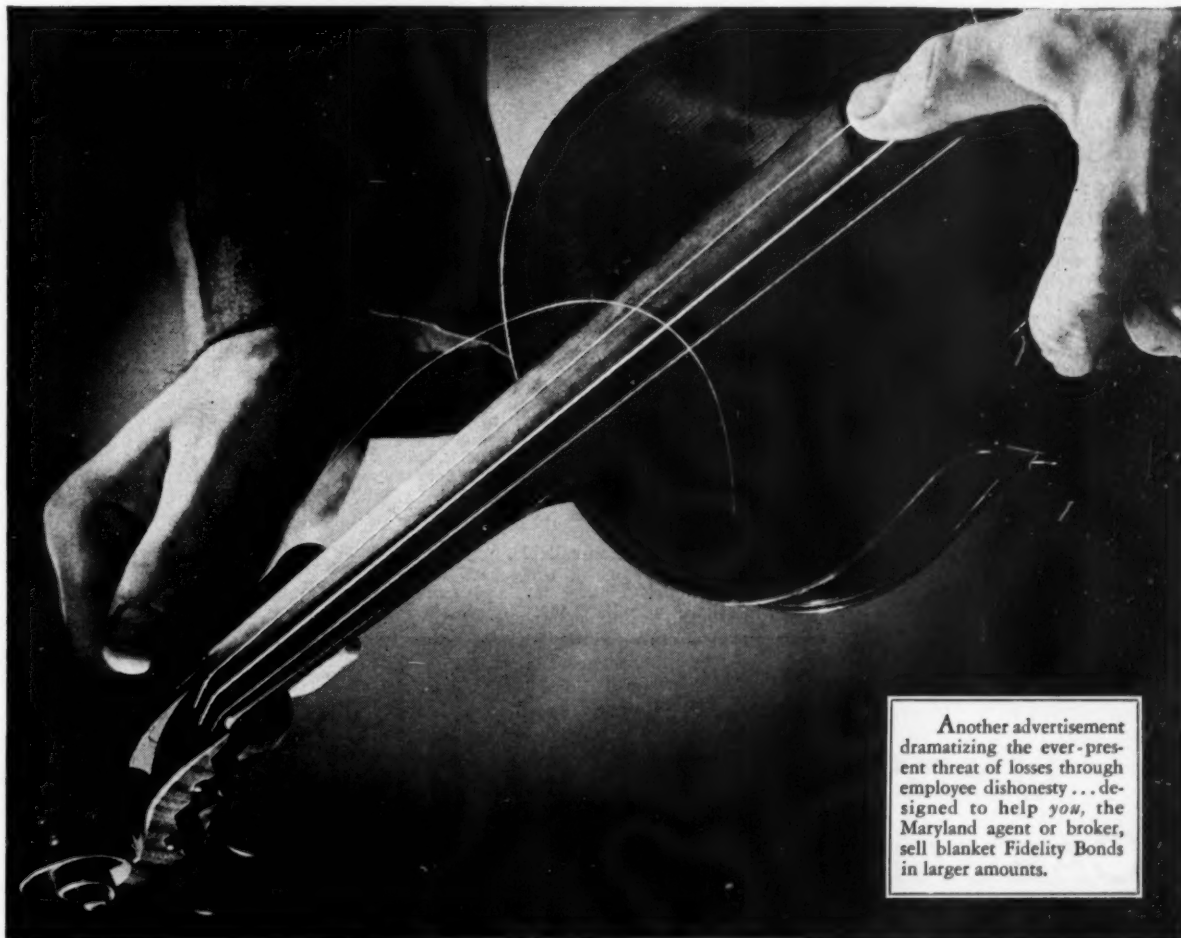
According to Mr. Ecke it is sound accounting principle in every other line of business that expenses paid in one period which are applicable to subsequent periods, are carried on the balance sheet designated as deferred charges. Handled in this manner, the surplus account is not penalized by prepayment of expenses to be incurred in a later accounting period.

If insurance companies were permitted to capitalize prepaid commissions and other expenses in like manner, there would be made available to surplus some 40% of the entire unearned premium reserve which would be adequate to relieve the present strain, he said.

"Why more serious consideration isn't given to this thoroughly obvious solution to the capacity problem, I don't know," he concluded.

Other speakers in the fire and casualty insurance session of the institute were Gilbert B. Brown, comptroller of State Farm Mutual Automobile, and Robert Clinton, controller of American Mutual Liability.

"Unforeseen events . . . need not change and shape the course of man's affairs"



Another advertisement dramatizing the ever-present threat of losses through employee dishonesty . . . designed to help you, the Maryland agent or broker, sell blanket Fidelity Bonds in larger amounts.

MEN BREAK, TOO!

Like a finely drawn violin string, men frequently snap under the stress of financial troubles. And then, to many, there seems no other way out of their difficulties . . . except to steal.

Today . . . tomorrow . . . you, as an employer, may find out—too late—that a trusted employee has forged a check . . . juggled your books . . . embezzled money. Stolen—from you.

There is only one sure safeguard against loss from employee dishonesty. That is a Fidelity Bond covering every person on your payroll . . . for you never know who may be exposed as a thief. And because embezzlements today sometimes

run into big figures, you need coverage in far greater amounts than ever before.

Whether your business is large or small, you'll find that *guaranteed honesty is the best policy*. And that means a Fidelity Bond (dishonesty insurance) in an adequate amount.

The man to see for this protection is your Maryland agent. Because he is expressly selected for his knowledge and experience, you can place your insurance problems in his hands with the utmost confidence.

Maryland Casualty Company, Baltimore 3, Maryland.

THE MARYLAND

MARYLAND ADVERTISEMENTS APPEAR REGULARLY IN LEADING NATIONAL MAGAZINES

Aid Food Saving by Fire Prevention Vigilance

The National Board is releasing a report urging careful inspection of grain elevators, flour mills, food storage and food packing plants to control the losses of valuable foodstuffs and cooperate with the national food saving campaign.

Last year fires destroyed more than 5 million bushels of grain and losses this year are up 50% over 1946. The board has prepared for distribution a self inspection report for grain elevators and feed mills which it hopes will curb fires destroying the food so necessary to the foreign relief program. Fire annually destroys enough grain to fill at least 10% of the grain quota desired for export in the present emergency program.

The government is trying to accumulate 100 million bushels of wheat. One fire in Minneapolis last year destroyed more than 3 million bushels.

Four-State Farm Bureau Insurer Proposed in South

LITTLE ROCK—A plan for a proposed four-state insurer to sell automobile insurance to Farm Bureau members only has been approved by the directors of the Arkansas Farm Bureau Federation, and a campaign is now under way in Arkansas to raise \$80,000 which is its participation in the four-state company. Farm Bureau organizations, in Mississippi, Texas, and Florida also are in on the plan. It will be a participating stock company with \$200,000 capital and \$100,000 surplus. It will not be set up unless each state is able to raise its quota of the capital and sell its quota of the initial 10,000 policies.

Arkansas Casualty Investment Corp. will be organized to purchase Arkansas' share of the stock which will be \$85,000; 5,000 shares of common

Aetna Cas. Contest Rewards Bankers



Attending the recent convention of the American Bankers Assn. at Atlantic City, Aetna Casualty displayed photographs representing some of the more than 8,000 banks which are using the bank and agent auto plan. Bankers were asked to identify the banks in their own section of the country and 34 prizes were awarded for their efforts. In the above photograph, F. M. Condit (extreme left), Beardstown, Ill., and S. W. Wickland (far right), San Francisco, receive their prizes from Harold G. Eberle and Frederick Riebel, III, of the Aetna Casualty.

stock at \$1 per share will be bought by Arkansas Farm Bureau Federation, and \$80,000 of preferred stock in shares of \$100 will be sold to members in Arkansas. This preferred stock will pay a 6% annual dividend, will be accumulative and non-callable.

The new company will write 10,000 charter policy applications, and Arkansas' share will be 2,500. Applications

for charter business will be written only on passenger cars and farm trucks owned by Farm Bureau members. Each vehicle will be regarded as a separate application.

N. C. Broadens Truck and Bus Requirements

RALEIGH, N. C.—Truck and bus operators throughout North Carolina, including several hundred who, previously have been exempt from utilities commission supervision, have been notified by the state utilities commission to bring their insurance coverage up to new state standards.

An act passed by the 1947 legislature brought all public carriers under the utilities commission, which formerly regulated only scheduled franchise carriers.

Minimum B. I. coverage is now \$15,000 for buses carrying seven passengers or less; \$20,000 for eight to 12 passengers; \$30,000, 13 to 20 passengers; \$40,000, 21 to 30 passengers, and \$50,000 for more than 30 passengers, with \$1,000 P. D.

For freight carrying equipment, B. I. limits are \$5,000/\$10,000, with \$1,000 property damage.

Truck lines will be required to carry cargo coverage of \$1,000/\$2,000. Contract carriers are exempted from the cargo provision, but the commission pointed out that all large shippers normally require carriers to provide more liberal insurance coverage than that required in commission regulations.

Mutual Sales Rally

The automotive and casualty section of National Assn. of Mutual Insurance Companies is holding a sales and agency conference Nov. 21-22 at Hotel Stevens, Chicago. Topics for discussion are: How to enlist the cooperation of agents in meeting present conditions, rebuilding agency organizations for the future, how to interest agents in writing general casualty lines.

W. S. Bird is in charge.

Haines Visiting Home Office

J. M. Haines of New York, United States manager of London Guarantee & Accident, is on a visit to the head office in England and will not return for some weeks. He is president of the National Board.

New Casualty Short Rate Table Offered in Iowa

NEW YORK—The short rate table filed in Iowa is the one worked out by the casualty and fire people and will be filed in all states with the hope of securing a uniform table country wide. The table, it is said, was devised in response to efforts of the agents to secure a uniform mechanism and one that did not penalize the insured who canceled after six months at the same rate of penalty as insured who canceled after one month.

DES MOINES—National Bureau of Casualty Underwriters has submitted to the Iowa department a new uniform-short rate cancellation table for all casualty lines except boiler and machinery. The department is submitting the proposed table to Iowa casualty companies for any possible conflict or objections.

The table starts at 5% for the first day as compared with 2% on the present Iowa table and levels off after the sixth day to a lower percentage. The new table reaches its peak at six months with a 60% charge while the present table has a peak at six months of 70%.

For policies over 12 months the bureau has submitted a printed formula which would be used instead of the present printed table.

Burglary Club Hears F.B.I. Man

About 75 persons attended the dinner of the Burglary & Plate Glass Club of New York last week and heard Edward Scheidt, special agent of the Federal Bureau of Investigation, describe that agency's operations. Mr. Scheidt pledged cooperation of the F.B.I. to the underwriters in apprehending criminals who had violated federal laws.

Guests were W. J. Thompson, vice-president Eagle, Globe, & Royal; A. F. Connolly, assistant secretary Massachusetts Bonding; W. S. Crawford, insurance editor New York "Journal of Commerce," and Clarence Axman, secretary of the "Eastern Underwriter." The club will hold its next dinner Dec. 15.

WANT ADS

UNDERWRITING MANAGER AVAILABLE
With complete casualty field experience. Seventeen years in managerial positions with large General Agencies. Desires permanent company position in Chicago. Address N-50, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

A LARGE all line casualty company has excellent opportunity for a Special Agent in Iowa and Nebraska territory, with headquarters in Des Moines, Iowa. Applicant must be successful producer. State full details concerning experience, age, and qualifications. Reply will be held confidential. Address N-44, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

A large general insurance agency in Wisconsin has excellent opportunity for a man to take charge of Surety and Fidelity Bonds, Plate Glass, Burglary, and Personal Accident Insurance Department. State full details concerning experience, age, and salary expected. Reply will be held confidential. Address N-52, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ASSISTANT CASUALTY UNDERWRITER Experienced
Commercial Cas. Ins. Co.
Western Department
Room 1200, 120 S. La Salle Street

WANTED
Competent full line casualty underwriter by Chicago brokerage office doing national business. Give complete details of experience, age, etc. Address N-56, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

UNITED STATES CASUALTY COMPANY



HOME OFFICE:

60 John Street

New York

Further Given Drying

The article UNDERWRITING problems in alfalfa dehydration which are \$100,000 have throughout in Nebraska.

There have been problems involving the originators in sacks of alfalfa which are 72 hours what similar.

A special inference of has been for some time.

Inaccuracies

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Further Angles Given on Alfalfa Drying Hazard

The article in the Oct. 16 NATIONAL UNDERWRITER setting forth some of the problems involved in underwriting alfalfa dehydrating systems has caused considerable comment. These systems, which are valued at from \$75,000 to \$100,000 have sprung up like mushrooms throughout the western states, especially in Nebraska, Kansas and Oklahoma.

There have been numerous fires involving these systems and also fires originating at some distance therefrom in sacks of the end product. It has been found that sparks embedded in the sacks may burst into flames as long as 72 hours later, the hazard being somewhat similar to fire packed cotton bales.

A special committee of Western Conference of Special Risk Underwriters has been looking into this subject for some time.

Inaccuracies Pointed Out

Certain inaccuracies have been pointed out in the Oct. 16 article. For instance, it was said there that bits of baling wire sometimes would go through the apparatus and become embedded in the sacks in a redhot condition. As a matter of fact, green, unbaled alfalfa is what goes through the dehydrating apparatus. However, it is believed that bits of metal do get scooped up with the green alfalfa and manage to get through the apparatus into the sack, escaping the foreign material separator. In the off season, some of these dryers are used for grinding dry hay that has been baled and here, of course, there seems to be a possibility that bits of the baling wire may get into the apparatus.

While the experts theorize that the fires are due to bits of metal getting into the sacked feed, yet they emphasize that this has not been actually established as the cause.

The hazard is not internal fires in the apparatus because the insurers do not pay for these, but rather, fires originating in the contiguous warehouse, or elsewhere on the premises that then proceed to consume the entire plant.

National Inspection Co., which has made extensive investigations, in a bulletin says:

"The principal hazard of these risks manifests itself at the packing end of the process. According to information available to us, fire losses have been largely confined to the meal warehouses. This apparently is due to the fact that meal which has been charred in the dryer gets through to the packing stand or that small pieces of metal passing through the mill and becoming heated, are carried with the meal into sacks. In either case, fire may develop in the sack in 24 to 48 hours or longer. We are told that when a fire occurs in the dryer and known to the operator, he will discharge the meal onto the floor until satisfied that the burned stock has been dispelled.

"Some but not all plants have magnets installed in the feed to the hammer mill, which we consider essential; one operator advises that 'since installing magnets (about a year ago), we have had no fires in sacks of meal.'

Sacked Meal Warehouse

"We understand that in many instances, the drying equipment is not insured and in such cases, the insurance would apply largely to the sacked meal warehouse. This we would consider acceptable business only if the hammer mill is equipped with a satisfactory means of removing metal from the stock before entering the mill and if the newly sacked meal is kept under observation for at least three days before final warehousing. With these precautions, we believe the danger of fire in the warehouse will be largely eliminated, assuming the plant to be under competent and careful supervision, an

important consideration in such risks. Many people attribute the cause of fire in sacked meal to spontaneous combustion. The stock will heat if unduly exposed to moisture but we feel certain that most fires are due to the causes mentioned and can be avoided if our recommendations are observed.

"Some plants are experimenting with production of meal in pressed cake or brick form, the meal being pressed as it comes from the mill. This primarily for the purpose of preserving the carotin which gradually becomes dissipated through contact with air, and would also practically eliminate the fire hazard attending sacked meal.

"In writing this class, companies are cautioned to make sure that the plant is not equipped to do grinding of field cured hay which, if done, would put the risk in the class of alfalfa grinding plants."

Michigan C. P. C. U. Group Elects Olp President

The newly organized Michigan chapter of C.P.C.U. at the first meeting elected M. Robert Olp, assistant vice-president Marsh & McLennan, president, and John G. Goodell, Lansing In-



M. ROBERT OLP

urance Agency, vice-president. H. Thompson Stock, Stock agency, Detroit, is secretary-treasurer.

Major topic of discussion was the fostering of educational programs in the Detroit area for those interested in preparing for the C.P.C.U. examinations in June, 1948. Currently a business law course is being offered which will be followed by an insurance law course.

Robert F. Sommer, president of the National society, reviewed the events of the annual convention in California.

Aetna Casualty Holds Regional at Bloomington

Don K. Weiser, manager of the western department of Aetna Casualty in Chicago, and a number of other officials conducted a district educational meeting at Bloomington, Ill., devoted to fidelity and surety bonds. Some 35 agents from central Illinois attended.

Joseph I. Johnson, assistant manager, was chairman. Mr. Weiser spoke on generalities of the subject; A. J. Higgins, superintendent of agencies; Lawrence Apostolo, superintendent of the Aetna plan department at Chicago, and James Farrington, surety representative there, also talked, in addition to Fred Anderson, home office representative.

Form New St. Louis Mutual

Supreme Mutual Casualty has been organized at St. Louis. Directors are W. F. Hagen, E. G. Missler, W. D. James, J. Joseph, Bedford Euix, J. Costello and H. Shenker.

Chicago A. & H. Association Plans Dinner for Parkinson

Plans for the dinner to be given by the Chicago Accident & Health Assn. Nov. 18 for Insurance Director Parkinson of Illinois and members of his staff were announced at the October meeting of the association Tuesday. The dinner will be at the Hotel La Salle at 7 p. m. and will be preceded by a cocktail hour at 5:30. The attendance will be limited to 275 by the capacity of the banquet room and indications are that reservations will reach that figure at an early date.

The speaker was H. H. Nunamaker, Cleveland general agent of Columbian National Life and president of the Cleveland association. His dynamic and dramatic talk, "Change of Pace," which was given at the annual meeting of the National association in Boston, made as big a hit as it did at that time. He

showed the necessity for having different approaches for different classes of prospects, the cases in which such a "change of pace" is especially desirable and illustrated from personal experience in his own family the way in which accident and illness can strike again and again, with devastating results.

The meeting was one of the largest ever held by the Chicago association, with nearly 100 on hand to hear Mr. Nunamaker's inspiring message.

Form Newark Taxi Insurer

Lincoln Mutual Casualty has been organized at Newark to write taxicabs and private passenger automobiles. Its home office is at 990 Broad street, Newark.

President is Harry Lerner; vice-president, David Oxfeld; secretary, Paul Miller. President Lerner is also president of Twentieth Century Taxicab Co. of Newark.

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LA ROCHEFOUCAULD.

If you are all settled to listen to your favorite radio program and the announcer says, "The facilities of this station for the next half hour, have been purchased by Candidate Whozia," don't curse. Spend the half hour listing candidates for public office who are prospects for public official bonds. The time to solicit them is before, not after election. Generally, this is election year.

New Amsterdam
Casualty Company

BALTIMORE

NEW YORK

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Attorney General Clark Will Be Indiana Headliner

Thomas C. Clark, U. S. Attorney General, will be the headliner at the annual meeting of the Indiana Assn. of Insurance Agents at the Claypool hotel, Indianapolis. He will speak at the luncheon Wednesday, Nov. 19, which will close the meeting.

The convention will open with a luncheon Nov. 17. The entire program of that afternoon will be in charge of the farm underwriters committee of which Ray L. Strayer, Warsaw, is chairman, with Don L. Purvis, Lynn, and Charles B. Farmer, Oakland City, as vice-chairmen.

Among the speakers already announced are:

Monday afternoon — James P. Fellows, superintendent farm department Fireman's Fund.

Tuesday morning — Roy Tuchbreiter, president Continental Casualty; Harold R. Danford, educational director National Conservation Bureau, and Maurice G. Herndon of the N.A.I.A. Washington office.

Wednesday morning — R. E. Farrer, N.A.I.A. educational director; Urban Krier, executive secretary Wisconsin Assn. of Insurance Agents; Eugene F. Gallagher, manager special service department of Standard of Detroit group, and Richard J. Layton, Rough Notes Co.

The annual dinner will be Tuesday evening with a well balanced entertainment program. The Indianapolis Insurance Women will put on a party for visiting ladies Tuesday afternoon.

Brooks Heads Ill. Mutual Unit

Russell W. Brooks of Stronghurst was elected president at the annual



H. L. Kennicott

meeting of the Illinois Assn. of Mutual Insurance Companies at Peoria. He succeeds H. L. Kennicott of Lumbermen's Mutual Casualty, Chicago. Myron L. Cass, Princeton, succeeded Mr. Brooks as vice-president.

Reelected were Donald A. Tripp, Belvidere, secretary, and James T. Wise, Sadorus, treasurer. Directors elected were Clinton H. Rogier, Highland; H. F. Hoferkamp, Hillsboro; J. H. Kelker, Chicago; and T. J. Campbell, Bloomington.

The 215 who registered made this the largest convention in history. This group represented 83 companies, most of them farm mutuals.

"Use a rifle, not a shotgun" in campaigning for farm fire prevention was the advice of Henry Giese, professor of agricultural engineering, Iowa State College. He said that of some 50 listed causes of fires, two were responsible for 70% of farm dwelling fires and two for 70% of barn fires. "Direct your shots at these," he said, "defective heating apparatus and inflammable roofs of dwellings, and spontaneous ignition of hay and inadequate lightning protection on barns."

Other speakers included Miss Mary C. Lueschen of the Illinois department

of insurance; Harry P. Cooper, Jr., secretary of National Assn. of Mutual Insurance Companies; L. G. Keeney, secretary Farmers Mutual Reinsurance, Grinnell, Ia.; Maynard H. Coe, director of farm division National Safety Council; H. A. Lettenberger, fire chief at Kiel, Wis., and L. H. Glens, executive director Illinois Assn. of Fire Protection Districts.

George Busse, Mount Prospect, was made chairman of the legislative committee.

Notable Speakers for Omaha Institute in Connection with Nebraska Agents' Meeting

OMAHA — A three-day fire and casualty insurance institute will be held here Oct. 27-29 in conjunction with the annual meeting of the Nebraska Assn. of Insurance Agents. It is being sponsored jointly by the University of Omaha school of adult education and department of business administration, Nebraska Assn. of Insurance Agents, Omaha Assn. of Insurance Agents of Omaha, Nebraska Fire Underwriters Assn. and Nebraska Fire Prevention Assn. A. L. Wells is general chairman.

The first of the three days will be taken up with the Nebraska association meeting. Tuesday speakers will be George Whitford, Fire Association; Walter J. Jeffrey, U. S. F. & G.; John Pabst, United National Indemnity; R. K. Hill, Springfield F. & M., and Walter Bremer, Hartford Accident, all of Chicago.

The association's annual dinner will be Oct. 28. Richard E. Vernor, Western Actuarial Bureau, will speak.

Speakers the final day will be Urban M. Lelli, Phoenix of Hartford, Chicago; A. H. Loesch, Underwriters Adjusting, Lincoln; Insurance Director Stone of Nebraska; John W. Lucas, head of Omaha University's business administration department; E. C. Iverson, state fire marshal, and Norman H. Davis, Jr., Underwriters Laboratories, Chicago.

Auto Dealers to Hear Crabbe

J. Roth Crabbe, Ohio Farm Bureau, former Ohio superintendent of insurance, will speak on "Will You Sell Automobile Insurance?" at the annual convention of the Ohio Automobile Dealers Assn., at Cincinnati Nov. 10. Mr. Crabbe was counsel in a case which automobile dealers instituted to set aside a ruling of the Ohio department that automobile salesmen could not write insurance other than life. The courts held that the department has no authority to bar any group of men as a class from writing insurance, and that each person who applies for a license must stand on his individual merits.

Mutual Seminars in Minn.

MINNEAPOLIS — Mutual men in Minnesota are "going to school" this month. Four seminars are being held in various parts of the state under the guidance of George L. Gilpin of Albert Lea. They are taking up new fire forms, with Gordon Grimm, Cream City Mutual Fire, as moderator, and comprehensive liability coverages, with G. J. Van Horn, Milwaukee Auto, in charge.

Seek New Federation Setup

COLUMBUS — The Ohio Insurance Federation has named a committee to revise its constitution. It is proposed to provide for an advisory committee of one representative from each insurance group in the federation. This committee would be active through the year

and would also have a part in considering proposed insurance legislation when the legislature is in session. Homer Trantham, secretary, reports a gratifying increase in membership in the federation.

Sando at South Bend

At the monthly meeting of the South Bend-Mishawaka Assn. of Insurance Agents at South Bend, Donald K. Sando, assistant vice-president of Emmco in charge of automobile underwriting, discussed "Automobile Insurance—Past, Present and Future." He said placement problems for automobile insurance may be expected to continue for some time until some measure of return to normal conditions in the automobile industry is accomplished. He stressed the need for cooperation in the reduction of accidents. Mr. Sando also

discussed the new insurance rating law which became effective Oct. 1.

St. Paul Inland Marine Class

ST. PAUL — A class in inland marine insurance sponsored jointly by the Insurance Agents Assn. of St. Paul and St. Paul department of education will open Nov. 3. It will continue six weeks and be followed by other courses.

Insurance Women of Hutchinson, Kans., held a dinner meeting Oct. 22 with Thelma Comp and Rowena Morton of the Brehm agency in charge. Several new women in the business were guests.

Oscar Lewellyn has sold his agency at **Kokomo, Ind.**, to John McCann, and will devote all his time to real estate.

R. C. Salisbury, Wisconsin motor vehicle department director of safety, discussed the state safety responsibility law at the October dinner meeting of the **Insurance Women of Madison.**

IN THE SOUTHERN STATES

Dupree New Chief of La. Bureau

Claude C. Dupree, Hartford Fire, was elected president of the Louisiana Rating & Fire Prevention Bureau at the annual meeting in New Orleans, succeeding H. F. Foster, Jr., Automobile. Sam G. Peters, London & Lancashire, was named vice-president and W. S. Bizzell, reelected secretary-treasurer-manager.

New directors are: Mr. Foster; E. E. Charlton, Jr., National; A. P. Cunningham, Jr., America Fore; C. A. Brown, Phoenix of Hartford, and S. St. J. Eshelman, Jr., Loyalty group.

Activities were reviewed by President Foster, the most outstanding accomplishment being complete revision of the rule book. There were numerous changes in schedules, all schedules, forms, clauses and rules, he said, being broader and more advantageous to the public.

Bureau Active in Year

Manager W. S. Bizzell reported membership at an all-time high with 258 stock and 20 mutual companies. All departments increased activities with over 55,000 rates published, a substantial increase over 1946. Business volume of the audit department increased 14.7%. The bureau, he said, took part in greatly increased fire prevention activity in the state.

State Fire Marshal Palfrey outlined the fire prevention work, commenting on the fact that 11 fires out of 4,122 in Louisiana cost \$2,899,451, or 40% of the total loss for the year, which was \$7,100,800. This indicates effort must be made to confine fires to small areas.

Georgia State Insurance to Go to Local Agents

ATLANTA — The usually accepted political plan of placing the state's insurance through a brokerage firm, which was supposedly designed to distribute the business to agencies throughout the state in proximity to the property to be insured, has been changed by Gov. Thompson, according to an announcement just made. Under the new system the insurance will be placed directly with local agents, instead of by brokerage. Gov. Thompson has named his executive secretary, Phil Landrum, to handle the state's insurance.

When Gov. Thompson assumed office last March the firm of Mitchell & Gaines was instructed to write binders on property with a premium total of \$75,843, which was paid last May. Under the old plan local agents represented

by the brokerage firm only could be participants in the distribution of the state's insurance. Under the new plan, local agents may write the insurance in any acceptable company doing business in Georgia and the transactions will be handled directly through the governor's office.

Plan Governor's Prevention Conference in Arkansas

LITTLE ROCK — Committees for a governor's fire prevention conference here on Nov. 21 have been named, including municipal fire prevention and protection, fire prevention education, rural fire prevention and protection, and laws and enforcement. They will make recommendations on how the objectives of the conference can be accomplished locally. Commissioner McKenzie will be general chairman and representatives of federal and state agencies, municipalities, counties, schools, business and civic organizations will attend. Governor Laney is preparing to send out nearly 1,100 invitations.

Since mid-September a small coordinating committee headed by Commissioner McKenzie has been actively assisting the governor with plans for the conference. On this committee are George D. Suter, manager Arkansas Inspection & Rating Bureau, serving as vice-chairman; Henry A. Ritgerd of L. V. Martin & Co., general agents, secretary, and Carl S. Smalley, head of the fire prevention division Arkansas Inspection & Rating Bureau, associate secretary.

Agency in New Building

H. L. Davis & Son, San Antonio general agents, held open house in their newly completed office building. A special guest was James F. Knapp, secretary of Secured F. & M., Indianapolis.

Mr. Davis announced that Ted Franz has been named manager of the newly opened hospitalization department, representing Secured Casualty for the entire state of Texas, and that A. L. Settle, formerly with the Texas General Agency, has become west Texas manager with headquarters at Lubbock.

Broaden Inspection Work

ATLANTA — Inspection work and supervision in connection with the new public fire hazard safety council of the Georgia insurance department will entail employment of 20 or more people and calls for an increase in the budget of the department of more than \$25,000. Commissioner Cravey is mapping out plans for an effective program to provide maximum safeguards for the pub-

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R. I. Gro

Rhode I Plantations combined R. I. Pre son, P. J. Frank Pea Fire; John Peerless C Liberty F Remington Brown an

lie in hotels, theaters, other public buildings, and multiple occupancy residences. The work of the council will be put under way at the earliest possible date.

Open New N. C. Office

General Adjustment Bureau has opened a new office at Lenoir, N. C., with Charles P. Franklin, formerly at Charlotte, as adjuster-in-charge. Mr. Franklin has been with the bureau for about 10 years.

Richmond Agents Elect

John E. Woodward was elected president of the Richmond Assn. of Insurance Agents at the annual meeting. A banquet followed the business session. William H. Branch succeeds him as vice-president and Mrs. Esther Arledge was reelected secretary.

Linwood H. Ford, retiring president, reviewed activities of the past year.

New Agency at Memphis

Stanton-McGehee Co. is a new agency at Memphis with offices in the Commerce Title building there. Partners are Carl E. Stanton, who recently resigned as vice-president of Marx & Bensdorf in charge of casualty insurance, and James E. McGehee, mortgage banker.

To Decide Knoxville Status

KNOXVILLE, TENN.—An inspection team of the National Board will be in the city before the end of October

for an inspection that will determine whether the city will remain in class 3 or drop to class 4. The Board ordered a drop in classification in July but this was stopped by Commissioner McCormack. Meanwhile the fire department has made numerous improvements in line with recommendation of the Tennessee Inspection Bureau but has been unable to secure badly needed equipment.

McNeese Southern Head

John Dennis McNeese, who has been executive special agent for Merrimack Mutual Fire, has now been appointed manager of the southern department with headquarters in the Barnett-Madden building, Jackson, Miss.

R. J. Burk to New Post

Richard J. Burk has joined the Eastman & Co. general agency of Staunton, Va. He graduated in 1934 at University of Virginia and from 1935 to 1943 was with Travelers as an underwriter and fieldman. He served in the navy as a lieutenant and since then has been in the local agency business in Virginia.

Wallace J. Moll, engineering department, and Lawrence A. Pioth, rating department, have completed 23 years' service with the Louisiana Rating & Fire Prevention Bureau and were honored guests at a testimonial dinner given by their co-workers.

Little Rock Assn. of Insurance Women at a dinner meeting was addressed by Mrs. L. C. Harriman on "Women of Today."

EASTERN STATES ACTIVITIES

Program of Mass. Agents Announced

The annual meeting of the Massachusetts Assn. of Insurance Agents will open at Springfield, Mass., the evening of Oct. 29 with the get-together banquet addressed by John C. Stott of Norwich, N. Y., N.A.I.A. vice-president; Commissioner Harrington of Massachusetts, Dr. George C. McAllister of Harvard school of business administration, speaking on "Psychology of Selling," and John J. Hagerty, New England manager of RFC. The executive committee will meet in the afternoon.

Thursday morning there will be a local board breakfast and discussion with C. Conrad Parker of Worcester presiding. Local boards throughout the state have submitted subjects for discussion. A general session of the convention will follow with reports of officers and panel discussion on the current automobile insurance situation from the angle of the agent and of the public, with F. R. A. McGlynn of Worcester presiding. A representative of Assn. of Casualty & Surety Companies will participate. Special attention will be given to the operation of the Massachusetts assigned risk plan, Miss Virginia C. Parsons of Indianapolis, free lance speaker and writer, will speak on "Cleopatra's Noodle."

The morning session Thursday will be brought to a close with the business meeting for members only, including a proposed revision of the constitution and election of officers. At the Thursday luncheon John A. Diemand, president of North America, will speak.

R. I. Group Entertains

Rhode Island Mutual Liability and Plantations Underwriters, Inc., held a combined outing at Warwick Neck, R. I. Present were Commissioner Bisson, P. J. Brown, Malcolm Ross and Frank Peavy of Northwestern Mutual Fire; John Talbot and James Cathcart, Peerless Casualty; Thomas Kean, Penn Liberty Fire; J. Ross Hall and E. J. Remington, Dubuque F. & M.; Gardner Brown and Richard Smith, Atlantic-

Centennial; Charles Releya and George Nee, Massachusetts Bonding, and Clay Herring, American Indemnity. The various bank officials, attorneys and doctors associated with the company were present as well as 60 agents of the two concerns.

A golf tournament was held in the afternoon followed by cocktails and dinner. There were no speeches except for a few words from Mr. Bisson.

An informal entertainment was presented after dinner.

D.C. Rating Bureau Holds Annual Gathering

WASHINGTON—American Equitable succeeded Home as a member of the governing committee of Insurance Rating Bureau of the District of Columbia, for a term of three years, by election at the annual meeting of the bureau's membership held here.

Other members of the governing committee reelected for three years are: Firemen's of Washington and Georgetown, Pennsylvania Lumbermen's Mutual Fire, Travelers Fire.

The meeting accepted annual reports from William B. Rearden, Firemen's of Newark, chairman of the governing committee, Walter Bastian, counsel, and bureau management.

Following the annual meeting the governing committee convened and elected Mr. Rearden chairman and Howard S. Jarvis, Travelers Fire, vice chairman.

The governing committee appointed the following executive committee:

Frank A. Powell, manager Travelers Fire, chairman; R. Edward Early, secretary National Capital, vice-chairman; Edmund H. Harvey, manager National Retailers Mutual; V. Manning Hoffman, vice-president Firemen's of Washington; Stocton M. Hotze, secretary Amer-

ican Fire of D. C.; Raymond C. Karge, special agent America Fore; William B. Ragsdale, manager Great American; James H. Shannon, manager Northwestern National; Marshall M. Smith, special agent Fireman's Fund.

Walton Is Hartford Head of North America as Grenville Parker Resigns

After a service of more than 29 years, Grenville M. Parker, manager of the Hartford service office of North America Companies, has resigned to go into another business. The new manager there is Thomas E. Walton, Jr., until recently affiliated with the agency department at the head office.

Mr. Parker's father, the late Charles E. Parker, was district manager for North America in New England for more than 40 years.

Mr. Parker is a director of the Capitol National Bank & Trust Company in Hartford, and past president of Wam-

panoag Country Club.

Mr. Walton, who has been with North America since 1938, is well known in New England, where he served for some time as technical representative attached to North America's service office at Boston. During the last war, he served for two years, mostly in active service in the South Pacific.

On his return he became associated with the agency department, specializing in production.

Dooley Allentown Chief

General Adjustment Bureau has appointed J. B. Dooley manager at Allentown, Pa., to succeed Ralph B. Creamer, who has resigned.

Mr. Dooley who has been at Washington, D. C., joined the bureau in 1937 at Charleston, W. Va.

J. Glen Brosnan, compensation insurance rating commission, addressed a luncheon meeting of the Insurance Club of Washington, D. C., Wednesday.

PACIFIC COAST AND MOUNTAIN

Pacific Board and Bureau's Setup

SAN FRANCISCO—Divorce of rate making functions of the Pacific Board has been completed and Walter A. Newman, for years assistant executive secretary, becomes general manager of Pacific Fire Rating Bureau.

S. L. Carpenter, Jr., general manager, and H. F. Badger, executive secretary of the Pacific Board, have relinquished these similar positions in the rating bureau which they occupied in its formative stages but retain their old positions with the board.

A. W. Gilbert, manager for the board at Los Angeles, becomes assistant general manager of the new bureau and during Mr. Newman's absence because of illness will serve as acting manager. He will be succeeded in the Los Angeles office by J. T. Silveira, who has been assistant district secretary. L. A. Walling succeeds to Mr. Silveira's former position while continuing as assistant secretary of the sprinklered risk department. H. A. Nelson, Jr., will have supervision of the latter department.

Cal. Commissioner to Leave Exam Questions Difficult

SAN FRANCISCO—Critics of the new agents' license examinations instituted in July by Commissioner Downey of California have little chance of having the difficult questions softened, the commissioner told the San Francisco Insurance Women's League in response to request for expression of his attitude.

"Due to the shortage of help during the war, the insurance department did not revise its examinations for producers' licenses for a number of years. As a consequence, the questions propounded by the department and the answers thereto, were well known. The examination failed to test the knowledge, ability and general fitness of the applicant in most instances, and in fact only tested his or her memory."

"Since the statutes require the examination of applicants to determine their knowledge and fitness, the department, as soon as it was able, propounded new examination questions. These came as quite a surprise to a large number of applicants who were not properly prepared for a comprehensive examination. The results of the examination during the month of July, which was the first month the new questions were given, were disastrous. The word has now been passed, however, that the old form of examination is no longer given, and that the new applicants must be

thoroughly prepared. As a consequence, in recent weeks, the percentage of those passing has increased materially, and continues to increase at each examination.

"Hereafter the examination will be constantly revised so that it will not become stale. It is the intention of the department that examinations should be comprehensive and fairly difficult, so that the knowledge, capacity and ability of the applicants can be fairly tested."

Laws Intended Thorough Exam

"The department's attitude is, that the legislature intended in the passage of the licensing laws, that only people of character and ability, and a fair knowledge of the business, should be licensed to sell insurance. The department intends to enforce these laws. If a change is needed, the change will have to come from the legislature."

The department is revising the insurance manual which sets forth information required from applicants, according to the type of insurance they expect to sell. Life agents will be required to answer questions on accident and health insurance and fire and casualty applicants will have a broader field to learn, in addition to the provisions of the insurance code.

Writing of Depreciation as Surplus Line Held Up

SEATTLE—Commissioner Sullivan of Washington has directed that no depreciation or replacement coverage shall be written as a surplus line pending determination by the department of proper conditions and terms for such coverages.

He states this coverage, while not altogether experimental, involves factors of moral hazard which require most careful consideration of the terms and conditions under which it is to be given. As soon as practical, and not later than early in November, he will hold a hearing on the matter.

Auto Adjusters of S. F. to Install New Officers

SAN FRANCISCO—Jean Andrus, Aetna Fire, will be installed as president of the Automobile General Adjusters Assn. at the annual banquet here Oct. 31. More than 500 are expected to attend, including company representatives, independents, repair shop owners, safety engineers and members of police departments and the highway patrol.

E. E. Erickson, Fire Assn., will be installed as vice-president and Frank Ingersoll, National Automobile Theft Bureau, continues as secretary-treas-



W. B. Rearden

urer, which post he has occupied for many years.

Installation of officers will be followed by an elaborate entertainment program.

Name Blackwell, Fellows

George W. Blackwell, who has been assistant manager of the Lloyds department in the San Francisco office of Cravens, Dargan & Co., has been advanced to manager. W. F. W. Fellows, formerly in the brokerage business in London, has succeeded him as assistant manager.

Farm Form Being Printed

The new California farm fire form, recently completed after months of conferences between the Pacific Board and the rural committee of the California Assn. of Insurance Agents, now is being printed by Standard Forms Bureau and will be distributed as soon as supplemental rules are ready.

Bennett at Long Beach

LONG BEACH, CAL.—Walter W. Bennett, C.P.C.U., and instructor in charge of the approved educational course at the University of California extension division in Los Angeles for those intending to take the brokers' examination, addressed the Long Beach Insurance Assn. on education in insurance.

The association will hold its annual party Nov. 7 at the Lakewood Country Club.

102 in Pittsburgh School

PITTSBURGH—Enrollment in the term of Pittsburgh insurance school is 102. Of these 80 are registered in the fire course the chairman of which is W. Kaye Estep, Middle Department Assn. His assistants are Paul J. Mullen, Phoenix of London; Frank Seifer, Middle Department; D. W. McStea, National Union; C. W. Morrell, Employers group; Arthur C. Bachman, Home; Walter A. Bell, America Fore.

W. Stewart McCready, American Surety, is director of the school.

Cal. Assigned Risk Plan

SAN FRANCISCO—Commissioner Downey of California, after a six hours hearing, postponed a decision on the new assigned risk plan as demanded by the new California law. Only a few criticisms were advanced, indicating that the most comprehensive program yet produced in any state is to be formulated.

Pasadena Agents Elect

Pasadena (Cal.) Assn. of Insurance Agents has elected as president Leonard S. Blodgett; vice-president, John S. Moore; treasurer, Mrs. Marjorie M. Youtz; secretary, William P. Knight, Jr.

Seattle Has 18-Week Course

SEATTLE—Commencing Oct. 28, King County Insurance Assn. will conduct an 18-week course for members and their staffs, following the new N.A.I.A. introductory course.

Robinson C. Jenner of LaBow, Haynes Co. will be chairman and discussion leader.

G.A.B. Names Fulenwider in Ore.

General Adjustment Bureau has opened an office at Baker, Ore., to service claims in Baker, Wallowa and Union counties.

William Fulenwider has been appointed adjuster-in-charge. He has been previously at Portland.

The dinner meeting of Insurance Women of Denver Monday was addressed by Miss Millicent Bafes, faculty member of Denver University at Civic Center, on personality and charm.

Gulf Coast Adjusting Problems

(CONTINUED FROM PAGE 3)

Orleans was that of treating with the homestead offices. These men insisted that on all hurricane losses, the building expert's and architect's fee of 10% should be paid to the homestead.

After a series of conferences, both company representatives made it clear that they could, under no circumstance, pay this extra fee, because in no way could it be construed to be contained in the contract of indemnity between the home owner and the insurance company. In a joint statement the stock and mutual companies explained that wherever the services of a building expert or architect is required on a loss, they are willing to pay it, but added that under no circumstance such payment be applied to any or all of the run of the mill losses. They made it clear that they regard this payment as a charge not warranted and many proofs of loss have been turned down which contain the provision.

None of the members of the two stock and mutual company organizations are honoring any proofs of loss which ask for this architect's and building expert's fee which is supposed to go to the homestead.

Stock, Mutual Cooperation

Sight of the mutual and stock organizations working hand in hand and issuing joint statements as they did at New Orleans came as quite a shock to many of the local insurance men, because the feeling between the two groups has never been good in the area. Yet the dispatch with which the companies of both types have been able to settle their claims is said by several witnesses to be traceable to the cooperation between the two groups.

The value of joint action is also proved by the achievement of the firm stand by the companies on the point of the architect's fee clause and water damage treatment, observers maintain.

There has been no catastrophe plan set up at Savannah in the wake of the recent blow. The bulk of the adjusting there is being handled by R. L. Clement & Co. for both stock and mutual companies and the firm is being supplied some outside help for the job. One Savannahian reports that by far the major portion of the damage was done at Savannah Beach, which is some 15 miles east of Savannah on the sea coast. Relatively little insurance is involved on the temporary beach structures. Savannah, which is inland, suffered comparatively less damage, although this person estimates that 50 to 70% of all the composition roofs in Savannah were damaged to some degree or other and there was considerable glass damage in the downtown section.

There are those among the eyewitnesses of the Louisiana-Mississippi havoc which compare it, in number of claims to the New England hurricane of 1938. They say there is one important difference. In the New England hurricane, almost all of the residents had been evacuated from the area before the full storm struck and there were relatively few witnesses. Very little litigation was produced over storm losses and insurance company decisions were generally accepted. Quite the opposite is true in Louisiana-Mississippi where there are thousands of people who went through the storm and for almost every loss there is a witness or two prepared to testify, many times to the detriment of the companies. A serious amount of litigation is seen as a possible result of this storm.

Those who have returned from the scene of the same storm across the lower tip of Florida express amazement at the length of time it has taken to set up catastrophe plans and get about adjusting losses in that area. Despite the fact that the storm hit Florida before it hit Louisiana-Mississippi, the catastrophe office at Miami was not set

up until two days after a similar office had been set up at New Orleans.

There are reports that the stock companies have been unusually slow in setting up there and part of this is held to be due to the shortage of competent fire adjusters in Florida. Because there are relatively few fire losses in the state, many of the better adjusters specialize in automobile and casualty lines. The company organizations have found that many of the adjusters available are part-timers with almost no experience in adjusting of storm losses. There are still a huge number of windstorm claims to be adjusted and the estimate is that it will be many weeks before they are handled.

One reason why the adjusting setup was so long in being perfected in Florida is said by some to be the traditional underrating by Floridians of their storm damages. They had come to accept bad windstorms as a matter of course, and with the tourist season upon them, hesitated to play up the storm. Florida newspaper people apparently employed some similar psychology, because the storm damage in the state appears to be worse than reports would indicate, these eye-witnesses say.

Lulled by Deductible

It is also maintained that in Florida company representatives are lulled by the \$100 deductible into thinking that their companies will suffer slight damages. Estimates vary, but one man who returned from Florida says that the average claim amounts to \$500 above the \$100 deductible.

Although the wind velocity at New Orleans and along the Mississippi Gulf coast reached 100 miles an hour as compared to a top of 75 miles per hour in Florida, there is a lot more interior damage in Florida because of the much heavier rains that fell during and after the storm.

Herbert J. Lorber, president of Rollins-Burdick-Hunter Co., Chicago, went to Florida to adjust windstorm claims of its customers. He found there were some 75,000 claims to be adjusted in the state for all companies. He concluded that the adjustment job would require many weeks. Hence, he felt it would be wise to look after the losses of the customers of his office himself and get immediate action. He only handled claims caused by the first storm. The losses averaged about \$350 above the deductible. Mr. Lorber went to Texas City, Tex. and handled the losses of the clients of his office following the destructive explosion there.

The second hurricane that hit the south will result in about 3,500 claims, according to General Adjustment Bureau estimates, with 2,000 of the claims in Florida and the remainder in the Savannah area.

In Florida the claims are relatively small. It was considered impossible to make a dollar estimate of the damages because the storm compounded the damages done by the earlier wind. The second storm reversed the direction of the first and travelled west to east. It narrowly missed the citrus belt.

About \$1 million in property damage is anticipated in the industrial district of Savannah. Most of the damage was suffered by warehouses and fertilizer plants with many roof and plate glass claims. There was some wave wash on the beach but as it was not thickly settled the losses there were minor. The residential district was lightly touched.

The George B. Fisher Co., local agency of Hartford has moved to ground floor location at 251 Trumbull street.

Robert C. Hosmer, Excelsior, conducted the opening session of a nine weeks course in automobile insurance for the Insurance Women's Assn. of Syracuse, N. Y.

Buyers Tell What They Expect

(CONTINUED FROM PAGE 3)

to its consequences if it should occur.

One of the most animated points raised in the discussion was the responsibility of an agent in recommending solvent insurance carriers. Both Mr. Gillingham and Mr. Anderson made it clear that, while they did not expect an agent to assume responsibility for failure of a carrier by paying a loss out of his own pocket, they do feel that the responsibility in recommending carriers is a grave one, and practically everyone present agreed with them. Mr. Anderson said that under modern conditions the old standards of accepting or rejecting insurance carriers are not reliable and that the present tightness of the coverage market is forcing every large insurance buyer to lose much sleep over his decisions on companies in which to accept insurance.

Another point on which there was considerable discussion was how far an insurance manager can or should go in trying to eliminate "hold harmless" agreements. Both speakers were entirely in sympathy with their elimination and each said he does all he can within his own organization to cut them out or at least modify them. However, they emphasized that an insurance manager has little actual control over such matters, that representatives of large corporations will sign them in all parts of the country and the insurance buyer will not learn of them until it is too late to do anything about it. There seems no chance of changing this and hence blanket contractual liability insurance will continue to be needed by corporations.

Staff Changes Made by Rockwood Co.

A number of staff changes have been made by the Rockwood Co. agency of Chicago, Field Building, which is now in its 52nd year as a general insurance agency, is general agent for Travelers and represents a number of other leading fire, casualty and marine companies.

L. M. Haarvig, vice-president who has been with Rockwood Co. for 42 years, has retired as manager of the casualty department. The staff will be host to him at a dinner Oct. 30.

Lawrence M. Goltz has been appointed the new casualty department manager. He has been with Rockwood Co. for some time as assistant casualty manager, and has had many years' experience in casualty insurance. Previously he was Cook county manager for Freeport Motor Casualty.

Robert S. Critchell has been appointed manager of the fire and marine department, succeeding James L. Baxter, who now is manager of the claim department. Mr. Baxter for more than 20 years was fire department manager.

W. Carter Butler, the president of Rockwood Co., has been the directing head for a number of years and has led in the program of streamlining and modernizing the office and of inducing younger persons as department executives.

Pape to Chicago Post

William Jordan, Fidelity & Guaranty has been elected president of Bay State Club of Massachusetts. He takes the place of George Pape, Boston manager of National Liberty, who is going to Chicago as assistant western manager of Providence Washington.

Jack Nye Duffey, Springfield F. & M. was elected vice-president; David L. Vigue, Phoenix of London, secretary and Laurence Fessenden, National Liberty, treasurer.

The New Jersey Field Club at its luncheon meeting at Newark, Oct. 27 will hear M. R. Kaack, assistant special agent in charge of the FBI.

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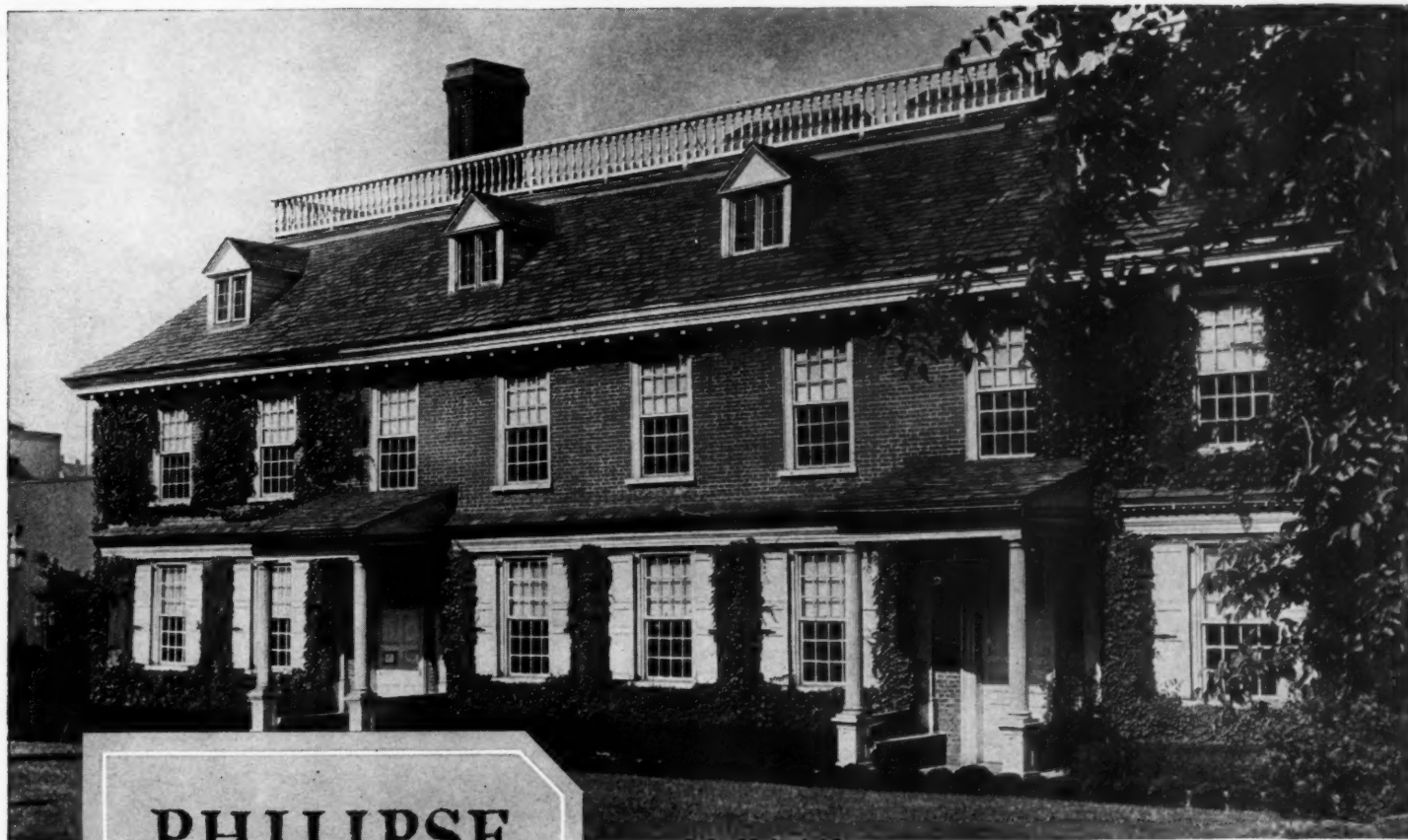
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Famous American Homes



PHILIPSE Manor Hall ★ A PROPHECY FULFILLED

The Presidential portraits here are only excelled by those in the Capitol at Washington

properties out of town over which a Royal Charter gave him full manorial rights. On one of his estates, in 1682, he erected the original Philipse Manor Hall which is incorporated in the present structure.

A man of culture and education, the second

Frederick, who succeeded to the title upon the death of his grandfather, played a prominent part in the affairs of the community. It was he who in 1745 enlarged the manor house to three times its original size. His two daughters, Mary and Susannah, made the house a mecca for many of the gallants of the day.

It was during the regime of the third and last Frederick that his sister, the beautiful Mary Philipse, met Washington. Whether he was actually a suitor is not certain, but a century later her grand-nephew declared that if the dominant Mary had become Washington's wife she would have prevented his leadership of the American cause. Whatever Washington's aspirations may have been, it was Roger Morris whom Mary chose from among her many admirers.

A legend relates that during the brilliant wedding festivities a tall blanketed Indian appeared in the doorway and is supposed to have intoned, "Your possessions shall pass from you when the Eagle shall despoil the Lion of his mane."

For years Mary pondered this strange prophecy, but its meaning was not revealed until the Revolution when, like many other loyalists, the Philipse family and their connections were virtually banished. The American Eagle had despoiled the British Lion of its Colonial possessions.

Thereafter the Manor Hall belonged to a succession of private owners until it was sold to the city of Yonkers in 1868. Used as the City Hall for some years, it is now under the joint custody of the New York State Department of Education and the American Scenic and Historic Preservation Society.

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Mary Philipse



The scene of Mary's elaborate wedding to Roger Morris

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BANK DAY IN CHINA...



A bank clerk in China receives the day's deposits from a local merchant. Today depositors often hire a coolie to help carry their funds.

CURRENCY FLUCTUATIONS ABROAD MAY AFFECT YOUR CLIENTS HERE AT HOME!

CURRENCY fluctuations abroad may deal a staggering blow to your clients here at home—IF their foreign interests are not protected adequately. Settlement of a substantial claim in inflated currency might, for example, leave your client far from compensated—might even endanger his entire overseas operation!

When you cover your client's foreign interests through the American Foreign Insurance Association, your client may make it a condition of the policy that premiums and loss settlements are to be paid in American dollars, and thereby banish inflation's threat.

You also give your client many other "extras" through American Foreign Insurance Association. You give him the sound technique that comes from 30 years of specialized

experience in foreign insurance. You make available American Foreign Insurance Association's broad knowledge of foreign insurance laws, regulations and currencies. You place at his service American Foreign Insurance Association's world-girdling facilities, which assure sound handling and prompt claim settlements.

Yes, you serve your clients doubly well when you place their risks through American Foreign Insurance Association. For (1) you protect their foreign interests fully with Fire, Casualty, and Marine Insurance Coverages, and (2) you provide that protection through the oldest and strongest group of its kind in the United States . . . American Foreign Insurance Association. Write us TODAY for full information on any specific risk!



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